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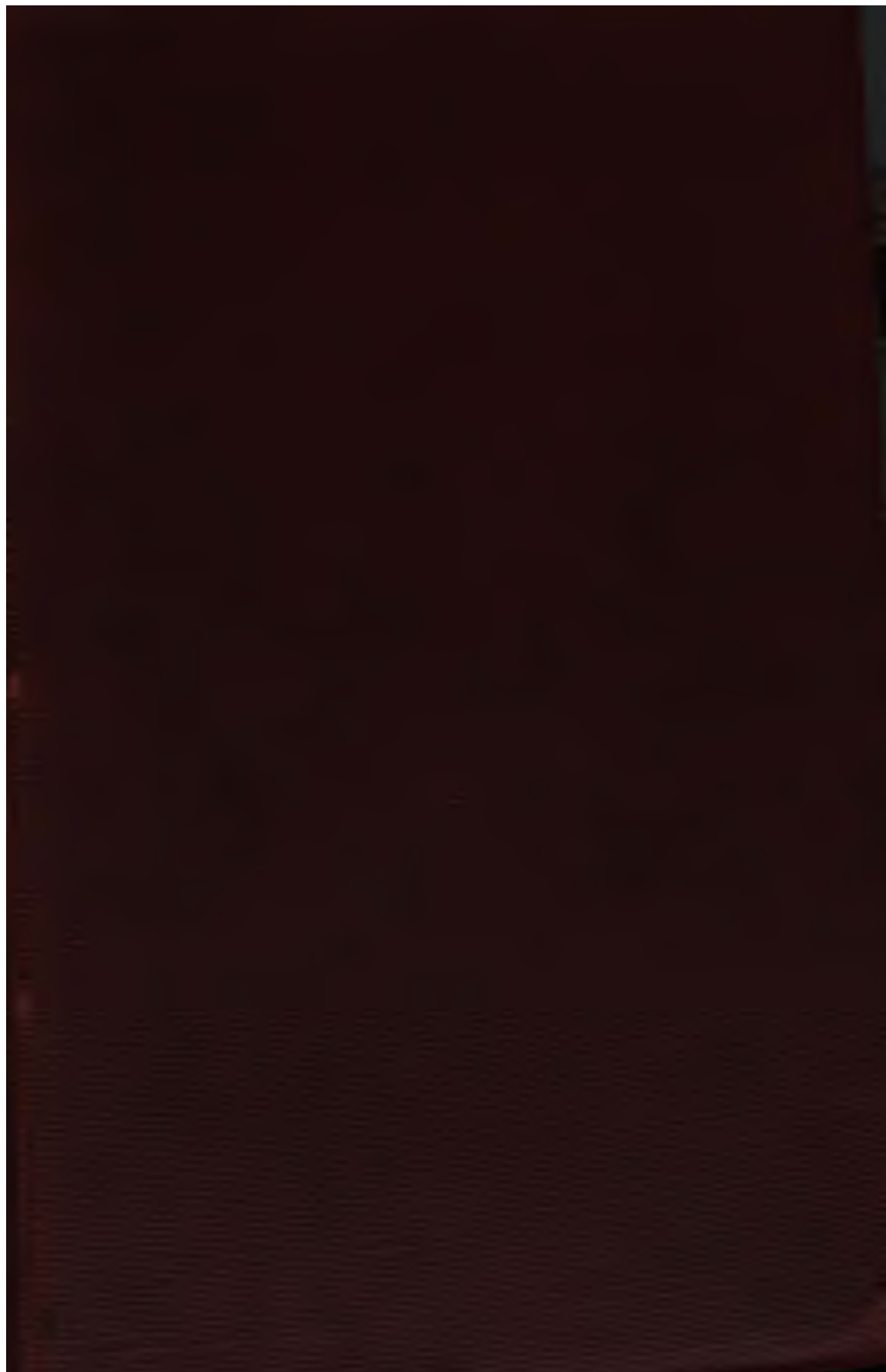
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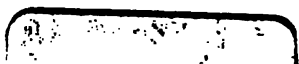






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# MILITARY HOSPITALS

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## HEARINGS

BEFORE THE

### COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS UNITED STATES SENATE

SIXTY-FIFTH CONGRESS

THIRD SESSION

PURSUANT TO

## S. RES. 386

A RESOLUTION PROVIDING FOR INVESTIGATION OF THE  
SELECTION AND ACQUISITION OF SITES FOR  
GOVERNMENT HOSPITALS

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Printed for the use of the Committee on Public Buildings and Ground



WASHINGTON:  
GOVERNMENT PRINTING OFFICE.  
1919

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## MILITARY HOSPITALS.

WEDNESDAY, JANUARY 15, 1919.

UNITED STATES SENATE,  
COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS,  
Washington, D. C.

The committee met, pursuant to the call of the chairman, at 12.30 o'clock p. m., in the committee room, Capitol, Senator James A. Reed presiding.

A quorum being present, the committee proceeded to consider Senate resolution 386, which is as follows:

[S. Res. 386, Sixty-fifth Congress, third session.]

*Resolved.* That the Committee on Public Buildings and Grounds be, and is hereby, authorized and directed to investigate the selection and acquisition of sites for military hospitals, and contracts and expenditures for the repair, acquisition, and construction of such hospitals; also what additional hospital facilities are required and what existing public buildings, if any, are available for use as hospitals.

On motion of Senator Hardwick the chairman was authorized to appoint a subcommittee of five, of which the chairman should be a member, to take the testimony on the Robinson resolution. The subcommittee named were: Senators Reed, Hardwick, Beckham, France, and Lenroot.

\* \* \* \* \*

The committee then adjourned.

The subcommittee was authorized to meet at 10.30, January 16, to commence the taking of testimony.





# MILITARY HOSPITALS.

WEDNESDAY, JANUARY 22, 1919.

UNITED STATES SENATE,  
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS,  
*Washington, D. C.*

The subcommittee met, pursuant to adjournment, at 11.10 o'clock a. m., Senator Thomas W. Hardwick presiding.

Present: Senators Hardwick (acting chairman), Beckham, and France.

Senator HARDWICK. Gentlemen, the committee will come to order.

For the purpose of getting the record right, I will state that a few days ago the Senate passed the following resolution:

*Resolved*, That the Committee on Public Buildings and Grounds be, and is hereby authorized and directed to investigate the selection and acquisition of sites for military hospitals, and contracts and expenditures for the repair, acquisition, and construction of such hospitals; also what additional hospital facilities are required and what existing public buildings, if any, are available for use as hospitals.

Pursuant to the authority of that resolution, the Committee on Public Buildings and Grounds of the Senate appointed a subcommittee to carry out the directions of the Senate, and we meet this morning for the first hearing under this resolution. The committee has thought the inquiry a very broad one, involving the general policy of all branches of the Government with respect to hospitals, military hospitals being expressly named, and under the general language all hospitals being included. Therefore, we are going to endeavor to formulate, if we can, some plan of coordinating all of this service, and of discovering for the use of the Senate exactly what hospital facilities the country now has, and what hospital facilities the country requires or is likely to require, and what buildings, if any, need to be constructed, and what public buildings already constructed, even for other purposes, can be used for hospital purposes at the end of this war.

In addition to that the committee is specifically instructed to investigate particularly the selection and acquisition of sites for military hospitals, and we will hear any testimony or any complaints that may come with respect to those matters.

Mr. BENNET. I represent Mr. Edward Hines, of Chicago, and I would like to propound an inquiry to the committee.

**TESTIMONY OF WILLIAM S. BENNET, ESQ., 60 WALL STREET,  
NEW YORK CITY.**

Senator HARDWICK. Suppose you state it.

Mr. BENNET. Some time in the early summer of 1918 there was brought to Mr. Hines's attention the possibility that a 320-acre plot of land known as the Speedway, in Chicago, which was owned by him, might be acquired by the Government for a general hospital.

Senator HARDWICK. A military hospital?

Mr. BENNET. A general military hospital; yes. Without worrying the committee with the various details of the steps as they progressed at that time, in August, 1918, the proposition had reached a stage in which the contract was drawn, the drafting being done by a Government officer, Maj. Arthur A. O'Brien of the construction division of the Quartermaster Corps, for the construction of a general hospital on that plot of land.

I ought to say, parenthetically, that while the matter was in progress an unfortunate personal occurrence happened in Mr. Hines's life. His son, Lieut. Edward Hines, in the trenches in Flanders, contracted a disease incident to army service, and on the 4th of June, 1918, died in an army hospital. Of course that had the effect of turning Mr. Hines's mind even more to the necessity of proper hospitals, and the result was that the contract which was proffered to the Shank Construction Co., representing Mr. Hines, on the 30th of August, provided for the construction of a hospital for substantially \$700,000 less than cost, and at that the land was figured in at probably less than 50 per cent of its value.

That contract prior to that incident had pursued the usual courses and steps which lead to the construction of hospital buildings. It was approved by the representative of the General Staff, was approved by the Surgeon General's office, was approved by the War Industries Board, and was approved by the Construction Department of the Quartermaster Corps, and possibly one or two other departments. In other words, every step usual in such cases was taken, except that when Secretary Baker left for Europe about the 1st of September, his final authorization had not been obtained. Up until that time the progress of that very advantageous and very meritorious project had been smooth, as the progress of a meritorious project under our Government ought to be. But with the departure of Mr. Baker for Europe, and the necessary committal of affairs to another, a new element seemed to enter. And in connection with that we desire very frankly, without any camouflage or anything of that sort, to make a rather grave accusation. Early in the negotiations, a gentleman who represented himself as in the service of the Government, and who certainly at a subsequent time was a representative of the Government in a very important capacity, and who, so far as our information goes, is still a representative of the Government, came to Mr. Shank, president of the Shank Construction Co., and subsequently to others, and stated to them that he desired a commission in the sum of \$100,000, and that if that commission was not obtained, his connection with the Government was such that this contract would never be signed. His demand was positively refused. Mr. Hines refused even to see him.

It is a significant fact that when the contract got into that portion of the War Department with which this particular man was connected, its troubles commenced, and on the 27th of September the Shank company was notified in Chicago that the contract would not be signed. On the 30th of August, prior to that, when they had come to Washington to sign the contract providing for the erection of the main building and six other buildings, Mr. Shank, the president, had gone hurriedly back to Chicago under a state of facts which we can readily disclose, from which he had the right to assume

that the authorization of the Secretary was a mere matter of days and form, and employed 800 men, and had rushed the construction of this hospital project, the plans for which had been approved by the Construction Division of the Quartermaster Department, and had been with almost feverish haste, because it was represented to him that the return of the wounded was imminent, demanding the pushing of this project to completion.

On the 27th of September he received word that the Speedway Hospital would not be taken over by the Government, and on the 1st of October succeeding that Mr. Shank and others called on Mr. C. Willing Hare—first called on Acting Secretary Benedict Crowell, who stated to them in a very brief interview that the matter was in the hands of Mr. C. Willing Hare. These gentlemen saw Mr. Hare, and on that date and subsequently it was learned that additional buildings were required. They were told what additional buildings were required and they brought on a corps of architects and draftsmen from Chicago, and on the 12th of October submitted a consolidated bid, covering all the buildings and work, of \$3,253,475, and in connection with that this occurred: Mr. Hines's interest in his son and his regard for his memory were such that after consultation with his wife and friends he made a written proposition that if this bid were accepted he would save the Government additional money on the salvage. It was represented that all of these hospitals were to be for temporary purposes, wooden hospitals, to be torn down at practically no salvage. Mr. Hines made the proposition that if this contract were made he would at any time within eight years—it was five in the written proposition, but on request of Mr. Hare over the telephone it was extended to eight—at any time within eight years he would salvage these buildings from the Government by paying to the Government 40 per cent of the entire cost of the grounds and construction, a sum something like \$1,300,000, and that he would secure that proposition by depositing with a bank in Chicago \$1,300,000 in Liberty bonds, and that of the Government decided within the eight years that they had no desire for the hospital as a permanent hospital, and accepted his proposition, and if it became his property, he would turn it over to the city of Chicago to be maintained as a nonsectarian hospital by the city.

That was the situation on the 12th of October. Apparently this proposition was acceptable to the Government, and the work continued, but nothing was signed. The formal approval was not forthcoming. On the 24th of October, Mr. Hines was notified by Mr. Hare over the telephone that the Speedway Hospital under the consolidated bid would not be built. On the 29th of October Secretary Baker had returned, and Mr. Hines sought and obtained an interview with the Secretary. He stated to the Secretary frankly the attempt which had been made to extort money from himself and the Shank Construction Co. at the inception of the proposition and gave the Secretary the name of the man who had done it—Milton J. Trainer.

Senator HARDWICK. What was his official connection with the Government?

Mr. BENNET. He was in connection with the real estate department under Mr. Hare.

Senator HARDWICK. A War Department official?

Mr. BENNET. Yes, sir.

Senator FRANCE. Do you know the official name of that department?

Mr. BENNET. Mr. Hare is under Mr. Crowell, the First Assistant Secretary of War.

Senator HARDWICK. You mean this committee or bureau to look into the acquisition of real estate for departmental purposes?

Mr. BENNET. Mr. Hare is, I think, a little bit more than that. He is what is known as a dollar-a-year man, a sort of a general assistant to Mr. Crowell.

Senator HARDWICK. You mean he exercises those particular functions of examining into the acquisition of real estate acquired for departmental purposes?

Mr. BENNET. Yes; that is one of his functions, and in addition to that—

Senator HARDWICK. That was the particular function he was exercising at that time?

Mr. BENNET. Yes; that is the particular function he was exercising at that time. On the 29th of October Mr. Hines saw Secretary Baker, and stated the facts to the Secretary.

Senator HARDWICK. He told him about this man's attitude, his attempt to extort money in order to get the contract through?

Mr. BENNET. Yes, sir; and demanded an investigation of the whole Speedway proposition, why it had been stopped, and also in connection with Mr. Trainer's strange attitude. That investigation was had, and there was a report made, which is of course accessible to the committee.

Senator HARDWICK. Do you remember who made that report?

Mr. BENNET. Yes; it was made by Maj. L. W. Stotesbury, of the Inspector General's Department, under instructions from Insp. Gen. Chamberlain. Mr. Hines has been told by Secretary Baker that the report was very favorable on the whole project.

Senator HARDWICK. On the project itself. Did the report cover this attempt to bribe?

Mr. BENNET. It did. Maj. Stotesbury took some evidence on that question.

Senator HARDWICK. Did he make a report to Secretary Baker on that? But the report will show that.

Mr. BENNET. We have never seen the report.

Senator HARDWICK. The Secretary had that charge which you made to investigate?

Mr. BENNET. Yes, sir; The report was made in writing; came back on the 16th of November. About a week later Mr. Trainer here in Washington accidentally met Mr. Shank, of the Shank Construction Co., and said, in substance, "Well, how is your hospital proposition getting along?" Mr. Shank said, in substance, "It seems to be in rather a desperate situation." Trainer replied to him, "If you had gone along and given me the commission," or words to that effect, "you would not have had any trouble. Now you will find it does not pay to knock."

Senator HARDWICK. Now, Mr. Bennet, I think that statement is sufficiently comprehensive to get an idea of the charge with reference to this one hospital project. I do not know how the other Senators on the committee feel, but my notion is that probably before we take

up any one specific thing we had better go into the policy of the officials of the Government. Is there anything else that you want to state? How much money did your people spend on the faith of your plan?

Mr. BENNET. We turned over a very valuable property——

Senator HARDWICK. How much money?

Mr. BENNET. We spent over \$1,000,000.

Senator HARDWICK. Over \$1,000,000 besides the land?

Mr. BENNET. Yes, sir. That much has been done already.

(The witness here showed two large photographs to the committee.)

Senator FRANCE. Does that indicate the present state of construction?

Mr. BENNET. It is about two weeks further advanced. The work has never been stopped for a minute. That is one side [indicating] and that is the other. That is the largest hospital building in the world, 2,000 feet long by 50 feet wide.

Senator FRANCE. What is the nature of the construction?

Mr. BENNET. Brick and concrete.

Senator SHAFROTH. How many beds?

Mr. BENNET. Three thousand five hundred.

Senator HARDWICK. Permanent buildings?

Mr. BENNET. Absolutely. The Government has no other hospital, Army or anything else, that compares with it.

Senator HARDWICK. I did not mean to cut you off on any material thing.

Mr. BENNET. Of course there are other details, but I think I have placed enough before the committee.

Senator HARDWICK. My own idea, gentlemen, is that an investigation of a matter of that sort is distinctly and expressly embraced within the scope of that resolution, and it will be the duty of the committee, Mr. Bennet, at the appropriate time, whenever that arrives, to give the fullest investigation of this transaction, especially of these very grave allegations you have made against the integrity of a Government official, and of course he shall have full opportunity to reply. I am willing, if the committee prefers, to proceed first with this matter, and to go to the other general matters later, but it strikes me that probably the wiser plan would be to get their policy views from these Government officials, and I would say to Mr. Bennet that as soon as we arrive at a stage in the investigation where it is proper to do so, we will give his allegations careful attention and give him the most complete opportunity to prove them.

Mr. BENNET. I thank the committee very much.

Might I make one other suggestion in connection with that. As I look around the room I see several Army officers. Many of these officers have information which bears on the particular subject matter. Might I take this opportunity, if the witness has any particular information on this matter, to ask, with the approval of the committee, questions on that matter?

Senator HARDWICK. Yes; as to anything that relates entirely to your matter, of any one of these witnesses that goes on the stand, after we get through on general matters, we will be glad to have you ask any question, because I take it that there is no official of the Government who does not desire the fullest light on this matter, and if there is anything of that kind to be disclosed, we would like to know it.

Mr. BENNET. Thank you.

Senator BECKHAM. I understand that the work on this hospital is proceeding?

Mr. BENNET. I have not the slightest doubt that they are working there to-day.

Senator BECKHAM. How near completion is it?

Mr. BENNET. We could complete it in 30 working days, possibly less.

Senator HARDWICK. Very well, if there is any one of the witnesses that has anything in his possession that relates to this matter, you may ask him.

Senator BECKHAM. That contract that you mentioned was never finally signed?

Mr. BENNET. It may have been signed, but it was never properly approved by the Secretary of War or the Acting Secretary of War.

Senator FRANCE. Who is carrying on the construction work now?

Mr. BENNET. Mr. Edward Hines.

Senator HARDWICK. At his own expense?

Mr. BENNET. We have not received a dollar from the Government.

Senator HARDWICK. But they know of the spending of these different sums?

Mr. BENNET. They have had inspectors there.

Senator HARDWICK. They have had inspectors there?

Mr. BENNET. Yes, sir; and furthermore this hospital is General Hospital No. 32, and a commanding officer was appointed for it by the Government, Capt. F. H. Star. We do not know whether he is still the commanding officer, but as late as the 10th of December, in a letter written by Col. Gilbert H. Smith, of the Surgeon General's Office, to Hon. Frank Clark, chairman of the House Committee on Public Buildings and Grounds, in relation to the hospital facilities of the Army, this very hospital—

Senator HARDWICK. Is listed among them?

Mr. BENNET (continuing). Is listed among the Government hospitals in what is known as Subject B, on page 26 of part 15 of the hearings of that committee.

Senator HARDWICK. That is to be used as a Government hospital for the soldiers as they come back?

Mr. BENNET. A notation is made in relation to it, "United States Army General Hospital No. 32, Chicago, Illinois. Requested, not ready."

Senator HARDWICK. "Requested, not ready"?

Senator FRANCE. Will you give the title of that document?

Senator HARDWICK. So you contend that that was an informal contract that never has been validated; is that it?

Mr. BENNET. I do not think any of the officials will deny it. That is in part 16 of the hearings before the Committee on Public Buildings and Grounds of the House of Representatives on H. R. 13026. The hearing was held on December 9, 1918.

Senator HARDWICK. Pardon a question that I have in mind. Would this general validation legislation that has passed the House, I think, and is pending in the Senate give you any relief?

Mr. BENNET. In all probability it would give him his money back, but it would deprive the country of the best hospital that has yet been built.

Senator HARDWICK. Do you know why the Secretary finally did not sign this contract, or will you undertake to make any statement on that line?

Mr. BENNET. I do not know except—

Senator HARDWICK. This employee who wanted to be compensated, said that if you had gone along with him you would not have had any trouble?

Mr. BENNET. Absolutely. Of course we do not charge any connection between him and Secretary Baker.

Senator HARDWICK. Oh, no.

Mr. BENNET. I can answer your question. On the 29th of October, when Mr. Hines had his interview with Secretary Baker, he said that he wanted to sign this contract, but that there had been these occurrences in his absence, and he thought it was due not only to himself but to Mr. Hines, after Mr. Hines had reported the statement that he had, that everything should be cleared up.

Senator HARDWICK. Yes; Mr. Hines had told him about this attempt to extort money from him in order to carry the project through?

Mr. BENNET. Yes; and therefore—

Senator HARWICK. He wanted to look into it.

Mr. BENNET. Yes. Here is what he said, in substance: That he would ask the Inspector General of the Army to investigate this through a competent officer. The Inspector General of the Army chose Maj. Lewis W. Stotesbury, who was a very excellent lawyer in New York, who had been the adjutant general in New York for several years, and who had received a commission as brigadier general, which was his rank as adjutant. He accepted a commission as major in order to get into the active work of the war. The Inspector General asked him to investigate. Maj. Stotesbury investigated, and reported that it was a big thing, and before he got back the armistice had been signed. So at first the statement was made to Mr. Hines that the contract would not be signed because the armistice had been signed. Then later the matter was taken up again, and the Secretary appointed a committee consisting of the Inspector General of the Army, Gen. Chamberlain, the Surgeon General of the Army, Gen. Ireland, and Gen. Marshall, Chief of the Construction Division of the Quartermaster Corps; Col. C. C. Wright, of the same division; Maj. Stotesbury, and Maj. Strode.

Senator HARDWICK. And you appeared for Mr. Hines?

Mr. BENNET. Yes. That committee went out to Chicago in the latter part of the year and investigated this plot, and also the consideration of extensions which had been authorized at Fort Sheridan. They came back and made a report. We have never seen that report. We have never seen the Stotesbury report. We have asked for them. There was a report made before that by Col. Starrett. We have never seen it. I think it was on the 28th of December that the Secretary said this hospital was a permanent hospital and that the nature of existing legislation was such that he could not expend any moneys in his hands for a permanent hospital, and therefore he had sent the report to the Surgeon General, with a request that he inform him whether he desired a permanent hospital. The Surgeon General made a report to the Secretary of War. We have asked to



see it, but we have never yet been able to see that. That is all we know.

Senator BECKHAM. Do you know the complaint that was made to the Secretary of War about the character of this land, whether it was suitable or not for hospitals?

Mr. BENNET. Yes, sir. On the 30th of October Mr. Hines had a second interview with the Secretary of War. Col. John A. Hornsby, at that time connected with the Surgeon General's office, made a statement in writing to the Secretary that the site of the proposed Speedway Hospital was swampy or marshy, entirely unsuitable for a heavy structure such as this, and that the surroundings were uninviting. Is that substantially correct?

Mr. HINES. Yes.

Mr. BENNET. It is a curious fact that the site of this hospital is the highest land in Cook County, and, furthermore, that having been designed in the first place for an automobile speedway, all the essential portions of the tract have sewers, underdrains, and everything of that sort to make it perfectly dry. As a matter of fact, Gen. Marshall, Col. Wright, and the whole committee and myself were there in the latter part of December in the rain, and I walked all over that place with these shoes and on did not get my feet wet. I have no means of knowing why Col. Hornsby made that false statement, and I have no doubt that it was investigated by Maj. Stotesbury, and that the report discloses that it was a false statement. Col. Hornsby either made it knowingly or else he made a statement of tremendous importance affecting a project involving millions with a degree of recklessness such as ought not to exist in connection with it.

Senator FRANCE. Had he any means of knowing the nature of this land? Was he acquainted with Chicago?

Mr. BENNET. He lives in Chicago.

Senator FRANCE. Then he would be supposed to have some knowledge of the general topography of the country there?

Mr. BENNET. He lived in Chicago for years. He is now out of the Army.

Senator HARDWICK. Where is he now?

Mr. BENNET. He lives at 25 East Washington Street, Chicago, or at least he has two offices, 25 East Washington Street, Chicago, and room 226, Palmer House.

Senator HARDWICK. Is he now in the Government service?

Mr. BENNET. His resignation has been accepted.

Senator HARDWICK. This other man, Trainer, is he still with the Government?

Mr. BENNET. It is our information that he is still employed by the Government.

Senator HARDWICK. Very well, Mr. Bennet. We will give you the fullest opportunity to be heard about this charge, and at the same time, as these other officers testify I am perfectly willing that you shall ask any questions relating to this matter of yours.

Mr. BENNET. I thank you.

Senator HARDWICK. We will ask Gen. Marshall to start.

**TESTIMONY OF BRIG. GEN. R. C. MARSHALL, CHIEF OF THE  
CONSTRUCTION DIVISION, QUARTERMASTER CORPS.**

Senator HARDWICK. As I understand it, you are Chief of the Construction Division.

Gen. MARSHALL. Chief of the Construction Division, which is directly under the War Department.

Senator HARDWICK. General, are you acquainted with the text of this resolution, the one that I read just now?

Gen. MARSHALL. Yes, sir; I received it yesterday.

Senator HARDWICK. It was sent to you by the committee.

Gen. MARSHALL. I received it about 11 o'clock.

Senator HARDWICK. The Senate has directed us to inquire into these general subjects, and I do not want to make the argument at this stage of the proceedings, but one idea I had in mind is possibly to secure some correlation of all these works, and I should be glad to have your views on the questions embraced in this resolution.

Gen. MARSHALL. I came here this morning prepared to answer four specific questions that were put in this letter to me.

Senator HARDWICK. Suppose you do that first. I do not know that I have seen the letter. You may read the letter, to make the record complete, and then answer the questions.

Gen. MARSHALL (reading):

JANUARY 20, 1919.

Brig. Gen. R. C. MARSHALL.

*Construction Division, Quartermaster Corps,  
Washington, D. C.*

MY DEAR GENERAL: I am authorized by the subcommittee of the Senate Committee on Public Buildings and Grounds, which is acting under Senate resolution 386, copy of which I am inclosing herewith, to request you to be present at the meeting of the committee to be held Wednesday morning, January 22, at 10.30, in the committee rooms, gallery floor, Senate wing of the Capitol, and bring with you such books and papers and other data as will show:

- (1) What Government hospitals we had at the outbreak of the war.
- (2) What hospitals have been built since war was declared.
- (3) What are the plans of your department for the construction of hospitals in the near future.
- (4) Estimates as to probable cost of transforming Government buildings, which will soon be abandoned by the Army in various parts of the country, into hospitals for use of our returned troops.

Sincerely, yours,

JAS. A. REED.

The hospitals that we had at the beginning of the war were post hospitals at 132 different places in this country, with 5,336 beds, and 4 general hospitals with 1,330 beds, or a total of 6,666 beds at 136 places. I have those listed in detail.

Senator HARDWICK. Will you give that to the reporter for the record?

(The report referred to is here printed in the record, as follows:)

*Existing hospitals at beginning of war.*

Name of post.	Capacity.		Name of post.	Capacity.	
	Perma- nent beds.	Tempo- rary beds.		Perma- nent beds.	Tempo- rary beds.
POST HOSPITALS.			POST HOSPITALS—continued.		
Adams, Fort, R. I.	29	28	Myer, Fort, Va.	61	68
Andrews, Fort, Mass.	47		Niagara, Fort, N. Y.	17	232
Apache, Fort, Ariz.	26		Omaha, Fort, Nebr.	21	
Baker, Fort, Cal.	31	28	Otis, Camp, Canal Zone.	12	
Banks, Fort, Mass.	22		Pickens, Fort, Fla.		
Barrancas, Fort, Fla.	29	34	Preble, Fort, Mo.	17	
Barry, Fort, Cal.	29	20	Presidio of Monterey, Cal.	41	
Boise Barracks, Idaho.	17		Presidio of San Francisco, Cal.	50	
Brady, Fort, Mich.	21		Revere, Fort, Mass.	9	
Canby, Fort, Wash.	12		Ringgold, Fort, Tex.	24	
Casey, Fort, Wash.	16		Robinson, Fort, Nebr.	43	
Caswell, Fort, N. C.	17	62	Rodman, Fort, Mass.	18	
Clark, Fort, Tex.	48	28	Rosecrans, Fort, Cal.	16	36
Columbia, Fort, Wash.	6		Ruger, Fort, Hawaii.		
Columbus Barracks, Ohio.	134		St. Michael, Fort, Alaska.	10	
Constitution, Fort, Mass.	40		St. Phillip, Fort, La.	52	
Corozal, Canal Zone.			San Juan, P. R.	200	
Cristobal, Canal Zone.			Schofield Barracks, Hawaii.	52	
Crockett, Fort, Tex.	23	43	Schuyler, Fort, N. Y.	25	24
Crook, Fort, Nebr.	31		Scriven, Fort, Ga.	30	28
Dade, Fort, Fla.	14	16	Shafter, Fort, Hawaii.	311	
D. A. Russell, Fort, Wyo.	172		Sherman, Fort, Canal Zone.	8	
Davis, Fort, Alaska.	20		Slocum, Fort, N. Y.	149	
Del Rio, Tex.			Standish, Fort, Mass.	8	
De Russy, Fort, Hawaii.			Stevens, Fort, Oreg.	27	176
De Soto, Fort, Fla.	12		Strong, Fort, Mass.	32	21
Du Pont, Fort, Del.	30	28	Terry, Fort, N. Y.	29	
Eagle Pass, Tex.	6		Thomas, Fort, Ky.	50	136
Empire, Canal Zone.	20		Tilden, Fort, N. Y.	4	
Ethan Allen, Fort, Vt.	57	34	Totten, Fort, N. Y.	58	
Flieger, Fort, Wash.	18		Vancouver Barracks, Wash.	57	544
Gaillard, Camp, Canal Zone.			Wadsworth, Fort, N. Y.	34	
Gatun, Canal Zone.			Ward, Fort, Wash.	7	4
George Wright, Fort Wash- ington.	42		Warren, Fort, Mass.	12	32
Getty, R. I.	10		Washington Barracks, D. C.	51	
Gibbin, Alaska.	17		Washington, Fort, Md.	27	12
Grant, Canal Zone.			Wayne, Fort, Mich.	30	
Greble, R. I.	16		Witherill, Fort, R. I.	10	
Hamilton, N. Y.	29	68	Wm. C. Seward, Alaska.	16	
Hancock, N. J.	47	68	Williams, Fort, Me.	34	10
Henry Barracks, P. R.	40		Winfield Scott, Fort, Cal.	6	
H. G. Wright, N. Y.	46		Wood, Fort, N. Y.	10	12
Howard, Md.	20	24	Worden, Fort, Wash.	34	60
Huachuca, Ariz.	44				
Hunt, Fort, Va.	15		GENERAL HOSPITALS.		
Jackson Barracks, La.	18	78	Army and Navy General Hos- pital, Ark.	185	105
Jay, Fort, N. Y.	40	136	Bayard, Fort, General Hos- pital, N. Mex.	462	1,389
Jefferson Barracks, Mo.	100	475	Lettermann General Hospi- tal, San Francisco, Cal.	519	789
Kamehameha, Fort, Hawaii.			Walter Reed General Hospi- tal, D. C.	164	1,801
Kearney, Philip, Fort, R. I.	10		Benjamin Harrison, Fort, Ind.	43	645
Key West Barracks, Fla.	27	16	Des Moines, Fort, Iowa.	35	1,061
Lawton, Fort, Wash.	30		Douglas, Fort, Utah.	48	151
Leavenworth, Fort, Kans.	151		Logan H. Roots, Fort, Ark.	12	496
Levett, Fort, Mo.	17		Fort McHenry, Md.	14	1,417
Liscum, Fort, Alaska.	8		McPherson, Fort, Ga.	48	2,281
Logan, Fort, Colo.	52		Madison Barracks, N. Y.	38	235
MacArthur, Cal.	17	46	Ogthorpe, Fort, Ga.	110	1,190
McDowell, Cal.	15	84	Ontario, Fort, N. Y.	20	650
McIntosh, Tex.	21		Plattsburg Barracks, N. Y.	40	1,160
McKenzie, Wyo.	41		Porter, Fort, N. Y.	21	301
McKinley, Mo.	34		Sheridan, Fort, Ill.	128	754
Mansfield, R. I.	12		Snelling, Fort, Ark.	121	939
Mason, Cal.	15		Whipple Barracks, Ariz.	26	315
Meade, S. Dak.	34		Biss, Fort, Tex.	91	553
Michie, N. Y.	5	16	Riley, Fort, Kans.	194	2,874
Miley, Cal.	20		Sam Houston, Fort, Tex.	188	1,322
Missula, Fort.	31		Sill, Fort, Okla.	51	1,148
Monroe, Fort, Va.	172	68			
Morgan, Fort, Ala.	20				
Mott, Fort, Del.	16				
Moultrie, Fort, S. C.	36	34			

Gen. MARSHALL. Since the war has begun there have been constructed general hospitals, including the four general hospitals stated above, 31,508 beds at 43 places; base hospitals 41, 66,006 beds; embarkation and debarkation hospitals 9, 11,545 beds; or a total of 109,059 beds.

Senator BECKHAM. They are all in this country?

Gen. MARSHALL. All in this country. Work is just starting on the hospital at St. Louis for 500 beds, and at Philadelphia for 500 beds. All of those hospitals I have stated as completed. That is the number of beds that are completed. All of these hospitals are not entirely completed. When they are completed—

Senator HARDWICK (interposing). That is the capacity?

Gen. MARSHALL. When they are completed the total capacity will be 124,695 beds, and we anticipate that this completion of construction will be by March 1.

Senator BECKHAM. Are they temporary or permanent construction, General?

Gen. MARSHALL. They are wooden buildings, usually. Some of them are tile. They are what we have classed as temporary buildings since the war started, but if they are kept up they will last from 12 to 15 years with proper maintenance and repairs.

Senator HARDWICK. Do you not think that you had better put in that list, too?

Gen. MARSHALL. This list does not check exactly with that. I made this up last night, and everything that is in here in the general statement is not in the detailed statement, and this is the only copy of it that I have.

Senator HARDWICK. Then you will furnish that later, and send to the clerk of the committee a corrected statement containing the details of that information?

I believe the next question was how much more facilities you need.

Gen. MARSHALL. That is all in contemplation.

Senator HARDWICK. You think that would supply the needs of the Army at the end of this war?

Gen. MARSHALL. That is a question the Surgeon General has to answer, but we are informed that it will.

Senator HARDWICK. So far as your information goes, you are not expecting to have to do more than that?

Gen. MARSHALL. No, sir.

Senator HARDWICK. Now, then, that being true, the fourth question, as to the probable cost of transforming Government buildings at cantonments and other places in different parts of the country into hospitals for the use of our returned troops.

Gen. MARSHALL. I have not done that.

Senator HARDWICK. Because you believe you have already provided the necessary facilities, so far as the Army is concerned?

Gen. MARSHALL. Yes, sir.

Senator FRANCE. General, we think that question would be relevant, because the Public Health Service feels that it is in need of additional hospital facilities, and therefore we are interested in getting the information, if possible, as to the cost of transforming some buildings already owned by the Government into hospitals for possible use by the Public Health Service. Have you any information at hand as to the actual plants that might be so transformed into hospitals for use in the Public Health Service?

Gen. MARSHALL. I do not know what the requirements of the Public Health Service will be. It would seem to me that if the Public Health Service were to take over anything that the Army has, that it would take over the hospital part rather than the troop barracks, because the hospital part in due course will be no longer needed by the military authorities, and they are laid out for hospital purposes.

Senator HARDWICK. At each one of the cantonments?

Gen. MARSHALL. Yes; we have a hospital at each one of the cantonments.

Senator HARDWICK. Those hospitals are included in the general statement you have given us?

Gen. MARSHALL. Yes.

Senator HARDWICK. And for the present the Army will need them?

Gen. MARSHALL. Yes; how long I can not answer. The Surgeon General of the Army, maybe, can answer. I do not know whether he can or can not. But the cantonments proper are cut up into these small barrack buildings, and those barrack buildings as such could be used as wards, and the other buildings used for other purposes. How that would affect the administration of a hospital, I am not just prepared to say, but they are not certainly put up for proper hospital administration, but they could be used for it.

Senator FRANCE. Well, you have constructed other plants, plants other than cantonments?

Gen. MARSHALL. Yes.

Senator FRANCE. For example, I have in mind a plant which was constructed, I believe, under the Ordnance Department at Berryville, Md., which is not a cantonment but a village, called the Atlas village. You have other plants similar to that, like the plant at Edgewood, where gas was manufactured. Would any of those be suitable for hospital sites?

Gen. MARSHALL. That is difficult to say, and it would require quite an exhaustive study to determine. We can have such a study made.

Senator FRANCE. We want a general survey made of that with the idea of ascertaining whether any of those plants could be so utilized. Now, I personally happen to know, because I live in that neighborhood, that the Atlas village is an ideal village, built at a cost of something like \$18,000,000, and that is being abandoned. That is an ideal site on the Chesapeake Bay. It is, I believe, being abandoned now. A plant like that we feel might possibly be used for the treatment of shell-shock cases, or mental cases, or rehabilitation work. Could you give us a list of construction work which you have done in order that we might ascertain whether they are feasible or not?

Gen. MARSHALL. Yes; we can have such a survey made.

Senator FRANCE. There might be some small cantonments that might be suitable, after small changes, for hospitals. We have, for example, right near Washington, a small cantonment, the old Fort Myer training camp, and then we have this project near Union Station. Projects like that, plants like that, might be possibly utilized.

Gen. MARSHALL. The latter one we had nothing to do with. It was under the Housing Bureau of the Labor Department.

Senator FRANCE. We intend to ask the Housing Corporation to furnish us with a similar list. We have a general idea as to what might be available so far as the plants already constructed are concerned in the way of hospital facilities. You will furnish us with that?

Gen. MARSHALL. Yes, sir; we will have a rough survey made of the different constructions where we think it is worthy of further study, and then give you the list, and then we can make such statements as you may want then.

Senator HARDWICK. In connection with that very matter, let me direct your attention to this phase of the question that is disclosed by some correspondence, from which I am now going to quote, between the chairman of this committee, Senator Reed, and the Secretary of the Treasury, Mr. Glass. On December 13, 1918, Senator Reed, the chairman of this committee, directed this letter to the Secretary of the Treasury:

Hon. CARTER GLASS,

*Secretary of the Treasury, Washington, D. C.*

MY DEAR MR. SECRETARY: I am acknowledging a letter sent to me as chairman of the Public Buildings and Grounds Committee by Secretary McAdoo on December 5 in regard to H. R. 12917 and H. R. 13026, being bills to provide several million dollars for hospital accommodations for returning soldiers and sailors and for those soldiers and sailors who will ultimately be patients of the War Risk Insurance Bureau.

As you probably know, an investigation has just been held by the Senate Public Buildings and Grounds Committee to ascertain the advisability of the continuation of Government housing projects now carried on by the United States Housing Corporation. During that investigation it was suggested that some of the buildings which are now almost completed, both in Washington and elsewhere, could, with very slight alterations, be used for temporary hospitals. Therefore the Surgeon General of the Army was requested to give his report on this subject. I have the Surgeon General's report before me at this time and desire to call your attention to one sentence therein, which is as follows:

"In view of the fact that the new hospital projects now under way and nearing completion, together with the hospitals now in operation, are considered sufficient to meet the requirements, the expenditure which would be involved to make them (the buildings on the Union Station Plaza in Washington, D. C.) available for hospital purposes does not appear to be warranted."

The committee would like any advice which your department may desire to make in explanation of why such large additional hospital accommodations are necessary, in view of the report from the Surgeon General of the Army.

Also the committee would like to know why the present buildings throughout the country, such as cantonments and other temporary war structures, can not, with very little expense, be speedily turned into hospitals for the returning soldiers. Those buildings which are located in the high altitudes of the West to be used for tubercular patients and other buildings throughout the country to be used for the other classes of patients which the Government will have.

If you can furnish the committee with the locations of these various war buildings and cantonments through the country and advise the possibility of converting them into hospitals, also the expenditure necessary for this work, etc., we would greatly appreciate it.

Very sincerely,

Now, on December 16 Secretary Glass replied to that letter as follows:

MY DEAR SENATOR: Replying to your letter of December 12 in which you say the Public Buildings and Grounds Committee would like further information in regard to the need of additional hospital facilities, I beg to state as follows:

1. It should be remembered that the additional facilities desired are for the permanent use of beneficiaries of the War Risk Bureau.

It seems they are to have hospitals, too, in that bureau.

The temporary character of the buildings alluded to in your letter effectively precludes their advantageous use for permanent hospital purposes for many reasons, among which are the following:

- (a) Temporary construction of the buildings.
- (b) Expense of upkeep.
- (c) Fire risk.
- (d) Location in many instances undesirable for treatment of chronic cases.
- (e) Dreary and desolate character of surroundings after the camp sites are abandoned.
- (f) Location on leased land.

2. Your quotation from a letter of the Surgeon General of the Army to the effect that further expenditures to make the buildings on the Union Station Plaza at Washington, D. C., available for hospital purposes, does not appear warranted, refers to the needs of the Army, which is dealing with soldiers before their discharge and which is not at all concerned with the soldier after he becomes a civilian. The Surgeon General of the Army undoubtedly means that no more temporary structures are required for the hospitalization of soldiers.

3. A careful investigation has been made of present buildings located in Army camps and cantonments, and also at industrial plants, as to their suitability for hospital purposes.

He says this investigation has already been made.

As a result of these investigations the Public Health Service and the medical advisor of the Bureau of War Risk Insurance have come to the conclusion that the barracks located at industrial plants can not be made available for even temporary hospital purposes. Some of the Army hospitals located in camps and cantonments could undoubtedly be used temporarily were they available. In this connection, however, the Surgeon General of the Army has himself stated in a communication to the Surgeon General, United States Public Health Service, dated December 10, that at the present time there are no Army hospitals which could be transferred for the use of beneficiaries of the War Risk Bureau.

4. There is inclosed herewith a map showing the location of Army hospitals in the United States. The situations through which a red pencil is drawn are those which are, or are about to be, abandoned by the Army. The reasons for the abandonment of these situations are in every instance such as would also make them unavailable for beneficiaries of the War Risk Bureau.

5. In regard to the expenditure necessary for converting these temporary structures into permanent buildings it should be observed that the character of the buildings themselves precludes this procedure at any cost. In conference with Maj. Lewis of the Hospital Construction Division, Quartermaster Corps, United States Army, it was estimated that to convert the barracks at the nitrate plant at Toledo, Ohio, into a temporary hospital would cost in the neighborhood of \$175,000; whereas, the cost for the conversion of those located at Cincinnati, Ohio, would be about \$250,000. Should the money be thus spent in either one of these localities the results would then only be temporary structures situated in unfavorable surroundings.

Very sincerely,

CARTER GLASS, *Secretary.*

Now, what I wanted to read these for and to invite your attention to it for, was this, to call attention in a public statement to the fact that we not only have the soldiers in the Army to provide for in hospitals, so long as they remain in the Army, but also the Public Health Bureau, and maybe this War Risk Bureau, and only one branch says that they have got enough hospitals. That does not mean at all, maybe, that the other branches of these departments of the Government that are doing hospital work are provided for at all. Does that seem to be the situation?

Gen. MARSHALL. I know nothing about the requirements other than those of the War Department.

Senator HARDWICK. And therefore you are in ignorance as to the requirements of these other people, but you do know generally that there are several branches of the service that have to have hospitals?

Gen. MARSHALL. Yes.

Senator HARDWICK. I have it in mind that it would be a most important service for this country if we could coordinate and connect all of these hospital projects and maybe all other public building projects. If we could devise some way of joining them up, and see how much hospital facilities we need for everything, and what we have got—what do you think of that? Is anything like that possible?

Gen. MARSHALL. That is a subject that has been up before engineering societies and contracting societies, these departments of public work, but I do not know that that has ever been given any study or serious consideration by the department.

Senator HARDWICK. It strikes me that that is one of the administrative reforms that might well be made. I believe that in France and in England particularly, and I think possibly in other countries, they have departments of public works that correlate all these things, and that these various departments that require hospital services go to them with requisitions for beds or space. I just wanted your opinion, because you have been in charge of the great work of military hospitals, as to whether or not something like that might be possible.

Gen. MARSHALL. It would seem to be feasible and advisable.

Senator HARDWICK. The President has authority under what is known as the Overman bill, has he not?

Gen. MARSHALL. I just do not know. I do not think that they can do it as between departments, although I am not sure.

Senator HARDWICK. Of course that is a question of law, and we would not expect you to be bound by any answer you make. I rather think he has, but if he has not, it is a public duty that Congress owes to the country of getting all these things together so that there may be some intelligent consideration of these matters as a whole, and I should like to know whether you think it is desirable?

Gen. MARSHALL. Even if the President proceeds under the authority of the Overman bill, if he has the authority, it would be temporary.

Senator HARDWICK. That is true, and Congress would have to provide for permanency. Do you really think that is Utopian, or is it a practical and useful administrative reform that can be accomplished?

Gen. MARSHALL. There are so many divergent interests there that it would be difficult to get them all together.

Senator HARDWICK. To make them agree?

Gen. MARSHALL. Yes.

Senator HARDWICK. Well, I am just thinking of the thing from the standpoint of the taxpayer and the man who wants to see all this Government run as an efficient business concern. Looking at it from that standpoint—I do not mean these little department rows and conflicts—would it not be an immensely important thing to do?

Gen. MARSHALL. I would think so. I think the best answer to that is the fact that the engineering societies have recommended it. I think that is the best answer to that. They are the experts. They are disinterested, nonpartisan, and I think that that is the best answer to that.

Senator HARDWICK. You think that the societies have made some recommendation?



Gen. MARSHALL. I am informed that that is a fact, as a matter of fact, that they have had appointed committees for the specific purpose of investigating the subject and deciding whether that can be brought about, but how far it has gotten, I do not know.

Senator HARDWICK. Well, now just one question that was suggested by Mr. Bennet. Is this Chicago project, of which you saw the two pictures exhibited, that seems to be so nearly erected, included in your list of hospitals?

Gen. MARSHALL. No, sir.

Senator HARDWICK. That is not?

Gen. MARSHALL. No, sir.

Senator BECKHAM. Why is it not? Because not completed?

Gen. MARSHALL. It has never been a governmental institution. It has always been a private one.

Senator BECKHAM. Did you visit the ground out there?

Gen. MARSHALL. Yes, sir; I have been there twice.

Senator BECKHAM. Give us your opinion about the location, whether or not it is suitable for hospital purposes?

Gen. MARSHALL. I think it is entirely suitable for hospital purposes.

Senator HARDWICK. What about the buildings?

Gen. MARSHALL. The buildings are entirely suitable, and very fine buildings. No question about that.

Senator HARDWICK. In your opinion is it a proper governmental project? I mean should the Government take it at the price it can get it for?

Gen. MARSHALL. That is a pretty broad question.

Senator HARDWICK. Yes, it is.

Gen. MARSHALL. At the time we were seeking to get hospital beds, there were four projects in and around Chicago that were recommended. One of them was Fort Sheridan, construction of a hospital there, and one of them the building called the Cooper-Monotah Building. Another was the Field Museum Building, and another one was the Speedway tract.

Senator HARDWICK. The Speedway tract was the project Mr. Bennet referred to?

Gen. MARSHALL. Yes, those four. We arranged to have a committee sent out there, and we were drawing plans and making arrangement in conjunction with the several owners of the different properties with a view to their ultimate use should they be approved by the Secretary of War, and it was our information that all four of those were entirely suitable for hospital purposes.

Senator HARDWICK. Have you any knowledge of the question as to whether or not these gentlemen were directed by officials in your department to go ahead?

Gen. MARSHALL. They were never directed to go ahead.

Senator HARDWICK. They were never directed by you?

Gen. MARSHALL. Neither by me nor any officials in the construction division.

Senator HARDWICK. You are quite certain of that; so far as you know, at least.

Gen. MARSHALL. With those who were involved, those who would be involved, or should be involved, I have talked about it considerably, and no one who would be in a position to give it has given such authority.

Senator HARDWICK. Well, I do not mean a legal, technical authority?

Gen. MARSHALL. No; we handle that just like so many other projects. We have frequently informed them that we were going to recommend it.

Senator HARDWICK. Have you urged them once to go ahead on the faith that you would recommend the project?

Gen. MARSHALL. No. We have always told them that if they did anything it would be at their own risk.

Senator HARDWICK. Did you have inspectors out there to superintend them?

Gen. MARSHALL. No, sir.

Senator HARDWICK. Your department did not?

Gen. MARSHALL. No, sir.

Senator HARDWICK. No Government inspectors there?

Gen. MARSHALL. No, sir.

Senator HARDWICK. I was just interested in that phase of the question.

Gen. MARSHALL. A number of officers have been there to examine it to determine its suitability.

Senator HARDWICK. Yes; I understand, but I mean inspectors checking up the work?

Gen. MARSHALL. No, sir.

Senator HARDWICK. You are positive about that?

Gen. MARSHALL. Well, I am as positive of it as I can be of anything. If there were any there, I know nothing about it.

Senator HARDWICK. They did not get from your department any orders?

Gen. MARSHALL. No, sir. Were there any, Col. Wright?

Col. WRIGHT. No, sir.

Mr. BENNET. You know a man named Fitzgerald, who has been engaged on the building at the Speedway?

Gen. MARSHALL. I do not recall him. I may have met him when I was there.

Mr. BENNET. He may or may not be a Government employee?

Gen. MARSHALL. Yes; so might you.

Mr. BENNET. You have no personal knowledge of him?

Gen. MARSHALL. No personal knowledge, nor any recollection of him.

Mr. BENNET. Will you look it up and see if there is a man in your employ in the construction division by the name of Fitzgerald, who was stationed at Chicago?

Gen. MARSHALL. What are his initials?

Mr. BENNET. I do not know his initials. We can furnish them. We can get them. And what his duties have been since about the 3d of September?

Gen. MARSHALL. Yes.

Mr. BENNET. What is your exact position in connection with hospital construction?

Gen. MARSHALL. All hospital construction is done by the Construction Division, of which I am the chief.

Mr. BENNET. Are Army hospitals suggested by your division or to it?

Gen. MARSHALL. Well, that is mutual. The officers of the Surgeon General's office consult with officers of the Construction Division,

and locations are sometimes suggested by officers of the Construction Division.

Mr. BENNET. If the Medical Department desired an Army hospital constructed, what would be the method or procedure by your department?

Gen. MARSHALL. The official method of procedure would be for the location to be selected by the Medical Department, and the construction work would be done on such location as they would select, but it is usually done in consultation, practically.

Mr. BENNET. This hospital located on the Speedway in Chicago, which you have seen, what was the method pursued in connection with its selection?

Gen. MARSHALL. I do not know, I would have to look up the record to be certain about that.

Mr. BENNET. At various times this has been alluded to as the Speedway Hospital, the Maywood Hospital, and also as General Army Hospital No. 32, has it not?

Gen. MARSHALL. General Hospital No. 32 is listed here, Chicago, Ill., as a 500-bed brick hospital, leased building. Do you know what building it is?

Col. WRIGHT. The Cooper Monotah.

Mr. BENNET. Do you know who Capt. F. H. Star is?

Gen. MARSHALL. Yes.

Mr. BENNET. He is connected with your department, or some department?

Gen. MARSHALL. He is connected with my department.

Mr. BENNET. In the month of October, 1911, he was receiving his mail in Chicago, addressed to him as commanding officer, General Army Hospital No. 32, was he not?

Gen. MARSHALL. I do not know.

Mr. BENNET. That was not within your personal knowledge?

Gen. MARSHALL. No.

Mr. BENNET. And that hospital was described as at Maywood?

Gen. MARSHALL. No; according to the description I have here Hospital 32 is a brick building in the city limits of Chicago with a capacity of 500 beds, and an ultimate capacity of 625. It was the Cooper Monotah Building, so I am informed.

Mr. BENNET. Is it a fact, General, that General Hospital No. 32 was the Speedway or Maywood Hospital?

Gen. MARSHALL. I do not know if it has ever been listed. You would have to get that from the records.

Mr. BENNET. It is not a fact within your personal knowledge?

Gen. MARSHALL. No; I would recall it if it were.

Mr. BENNET. Did your department draw or approve the plans for this hospital at the Speedway in Chicago?

Gen. MARSHALL. It approved the final layout and plans of the building; whether formally I do not know, but I know that it approved of them.

Mr. BENNET. Have you the plans here?

Gen. MARSHALL. No.

Mr. BENNET. You have a set of the plans in your office, have you not?

Gen. MARSHALL. I presume so.

Mr. BENNET. If those plans when produced bear on their face your name, by C. C. Wright, lieutenant colonel, Construction Division, Quartermaster Corps, would that indicate that they had been passed on and approved by your division?

Gen. MARSHALL. Yes.

Mr. BENNET. And did Lieut. Col. C. C. Wright have authority in that Construction Division to pass on and approve plans?

Gen. MARSHALL. Yes.

Mr. BENNET. And that was the case in September and October of 1918?

Gen. MARSHALL. Yes; when he took over that hospital section. I do not recollect when it was.

Col. WRIGHT. That would be correct.

Mr. BENNET. Could you bring down here at some subsequent session the plans of the Speedway Hospital?

Gen. MARSHALL. If we have them.

Col. WRIGHT. What do you mean by the plans?

Mr. BENNET. The blue prints.

Col. WRIGHT. The original proposition as presented to the Secretary of War?

Mr. BENNET. No; the one on which the amended proposition of October 12 was based.

Col. WRIGHT. I am not sure that we have them. The only way that was presented to the Secretary of War was by the original set.

Mr. BENNET. Well, whatever set you have.

Now, including your own, what divisions of the War Department and of the Government are required to approve a hospital project, such as that involved in the Speedway Hospital?

General MARSHALL. I might miss some of them, but I will try not to.

Mr. BENNET. That was in August, 1918.

Gen. MARSHALL. The Surgeon General's office, the Real Estate Section, the Purchase, Storage and Traffic, the Director of Operations, and the Secretary of War was represented by the Assistant Secretary in a case of that kind. The Assistant Secretary of War usually passed on those things. The Secretary of War ordinarily did not. I think that is all.

Mr. BENNET. The General Staff?

Gen. MARSHALL. That is the Director of Operations.

Mr. BENNET. And the War Industries Board?

Gen. MARSHALL. The War Industries Board did pass on the general location and as to the materials, whether or not it would interfere with commerce, and as to the desirability or undesirability of the site. It does not pass upon other than the question of building material.

Mr. BENNET. Now, in connection with the Speedway Hospital, how many of the divisions of the Government passed upon and approved this Speedway project?

Gen. MARSHALL. I would have to have the records.

Mr. BENNET. Of your division?

Gen. MARSHALL. Yes.

Mr. BENNET. In the summer of 1918 was a contract drawn by an officer of your department in connection with a contractor for Mr. Hines?

Gen. MARSHALL. I do not know in connection with whom the contract was drawn.

Mr. BENNET. What was the name of the officer who drew the contract?

Gen. MARSHALL. Well there were a number of officers of the division. Probably Maj. O'Brien drew the last draft that was drawn. I would have to verify it.

Mr. BENNET. Maj. Arthur O'Brien?

Gen. MARSHALL. Yes, he probably drew it.

Mr. BENNET. Is he still in the service in Washington and available?

Gen. MARSHALL. Yes.

Mr. BENNET. On or about the 30th of August, do you know whether Mr. George H. Shank, the president of the Shank Co., came to Washington and, I think in your office, signed in triplicate this contract that had been drawn by Maj. O'Brien?

Gen. MARSHALL. Yes.

Mr. BENNET. Where are those triplicate copies of the contract?

Gen. MARSHALL. I suppose they are on file in the office, although I do not know positively. Somewhere in the War Department, I reckon.

Mr. BENNET. Can you produce them?

Gen. MARSHALL. If they are on file in the office, I could produce them. If they are not, I could not.

Mr. BENNET. What is the course of procedure in connection with a construction project after the contract has been signed by your division, signed by the contractor and left with you?

Gen. MARSHALL. Ordinarily the contract is not signed by the contractor until the Secretary of War has approved the expenditure of the money involved in the contract.

Mr. BENNET. In this particular case the contract was signed by the contractor, and you knew that?

Gen. MARSHALL. Yes.

Mr. BENNET. And that was done with your consent and approval?

Gen. MARSHALL. Subsequent to the fact.

Mr. BENNET. At any rate with the consent and approval of the Construction Division?

Gen. MARSHALL. With the condition that they understood at the time of the signing that that subsequent signing of the contract was entirely contingent upon the approval of the Secretary of War.

Mr. BENNET. In other words, there is a statute, of course, that the Secretary of War must authorize these matters. Is that the idea?

Gen. MARSHALL. No, it is more than that. It is more than perfunctory. He exercises considerably more than a perfunctory matter of approval on such projects.

Mr. BENNET. Let us see if we agree as to what the situation was on the 30th of August. So far as the Construction Division was concerned, you regarded the Speedway Hospital as a proper hospital project?

Gen. MARSHALL. Yes.

Mr. BENNET. The plans had been drawn?

Gen. MARSHALL. I am not entirely certain as to that. Some of the plans had been drawn.

Mr. BENNET. By the way, the architects of the Speedway were Schmidt, Garden & Martin?

Gen. MARSHALL. Yes; I met Mr. Garden on the job.

Mr. BENNET. By whom were they selected?

Gen. MARSHALL. I can not say as to that. I do not know whether Col. Wright selected them or not. It would be a question of recollection.

Mr. BENNET. Have you any official here present who would know?

Gen. MARSHALL. Yes; Col. C. G. Wright.

Mr. BENNET. Who selected Schmidt, Garden & Martin?

Col. WRIGHT. They were never definitely selected. They were advised that this matter was approved and that they would be authorized as architects by the Government.

Mr. BENNET. I am asking a technical question. Who selected them to draw these plans?

Col. WRIGHT. I would have to answer the same way. It was up to me to advise engineers or architects associated with us in any project.

Mr. BENNET. And you recommended Schmidt, Garden & Martin?

Col. WRIGHT. Yes.

Mr. BENNET. And you considered them competent hospital architects?

Col. WRIGHT. Yes.

Mr. BENNET. They are competent architects?

Col. WRIGHT. Absolutely.

Mr. BENNET. Men of very high standing?

Col. WRIGHT. Yes, sir.

Mr. BENNET. And after they had drawn the plans, were they gone over in the Construction Division?

Gen. MARSHALL. I understand so; yes.

Mr. BENNET. And after the plans had been gone over in the Construction Division, Maj. O'Brien, of your division, drew the contract?

Gen. MARSHALL. I think it was all contemporaneous. It all went right along together.

Mr. BENNET. It all happened in the last two weeks of August—in the month of August?

Gen. MARSHALL. Well, I do not know; it was in that general time. I am not prepared to answer specifically on that subject, because I have not studied it for a month or a month and a half or two months. There are many of those contracts, and I can not carry all those details without going back to the records.

Mr. BENNET. Do you know who ordered the extension of the frame hospital construction at Fort Sheridan, about 25 miles from Chicago?

Gen. MARSHALL. That project was developed just as others are developed, in consultation between the Surgeon General's office and the office of the Construction Division, and it was presented to the Secretary of War for his approval, and that project had that course.

Mr. BENNET. What officer in your Construction Division would know about the actual construction work, the frame construction work at Fort Sheridan?

Gen. MARSHALL. Col. Wright would know. He would have the records that would show. Whether he would know from personal knowledge, I do not know.

Mr. BENNET. You twice personally saw the hospital buildings at the Speedway, did you not?

Gen. MARSHALL. Yes.

Mr. BENNET. I will show you two photographs and ask you if those substantially represent the side views of the Speedway Hospital as they were at the time you visited them on the 20th or 24th of December, 1918?

Gen. MARSHALL (after examining photographs). This does, of the one building that is under construction. But in the project we had contemplated there were a considerable number of additional buildings to be built.

Mr. BENNET. I offer this in evidence, or leave that with the committee for its information.

The proposition as it was first transmitted to the Secretary included the building of which I have just shown you two pictures, and six other buildings, did it not?

Gen. MARSHALL. Well, I would say that there were many more than six other buildings. The project was finally that, I believe. Just what it originally contemplated, I do not know.

Mr. BENNET. But some time after the proposition was presented to the Secretary, the plan was enlarged so as to include quite a number of buildings, is that correct?

Gen. MARSHALL. Well, I just do not know.

Mr. BENNET. Would Col. Wright know those things?

Gen. MARSHALL. He probably has those in mind, but when you have so many projects—

Mr. BENNET. Is that correct, Col. Wright?

Col. WRIGHT. State the question, please.

Mr. BENNET. As first presented to the Secretary, the contract signed on the 30th of August, the project included the main building and six other buildings?

Col. WRIGHT. I think Mr. Shank's proposal to the Government included a main building and about six other buildings. The project as presented to the Secretary of War included everything necessary to complete the hospital—to complete it without regard to the original proposal.

Mr. BENNET. And on or about the 12th of October, 1918, the Shank Construction Co. presented a bid covering all the buildings and work, and the grounds, for \$3,250,475?

Col. WRIGHT. That is correct.

Mr. BENNET. What is your opinion of the main building at Maywood as a hospital proposition?

Gen. MARSHALL. Entirely acceptable.

Mr. BENNET. Well located?

Gen. MARSHALL. Yes.

Mr. BENNET. Well constructed?

Gen. MARSHALL. Yes. There are some disadvantages to the location on account of the transportation out there. From that point of view, why it is not well located at the present time.

Mr. BENNET. It is a great deal closer to Chicago than Fort Sheridan?

Gen. MARSHALL. Not by the way you have to ride.

Mr. BENNET. Do you not know that you can get to this hospital on the street railway for a street car fare?

Gen. MARSHALL. Yes. I do not know whether it is one fare, and I do not think the street car runs right to the hospital.

Mr. BENNET. You were not aware of the fact that part of project was that the street railways agreed to extend their lines out to the hospital?

Gen. MARSHALL. I had heard that they agreed to that. I am talking about the condition now, as I understand it. The street car is about a mile and a half from the hospital.

Mr. BENNET. I think you are slightly in error as to that. That is not important.

Gen. MARSHALL. I am talking from my recollection.

Mr. BENNET. And yet, as far as freight and conveying of the wounded, the railway runs right into the grounds, right alongside of the hospital there. There is no difficulty, is there, in moving wounded soldiers? The arrangements are all right for that, are they not?

Gen. MARSHALL. Yes.

Mr. BENNET. Do you know of any other fireproof hospital in any way approaching this in size that has been constructed in connection with this war from plans approved by your division to care for the wounded soldiers upon their return?

Gen. MARSHALL. Well, it depends upon what you mean by fireproof.

Mr. BENNET. Fireproof is when it contains no wooden construction whatever.

Gen. MARSHALL. I do not think this building would come within this category.

Mr. BENNET. Is there any wood in this building?

Gen. MARSHALL. I think some of the floors would be of wood, are they not?

Mr. HINES. No.

Gen. MARSHALL. There is no building that has been constructed before that has no wood in it.

Mr. BENNET. As a hospital project, this has the entire approval of your division, and your personal approval?

Gen. MARSHALL. Oh, yes.

Mr. BENNET. You were present in the latter part of December when Mr. Shank at that time said he would complete the hospital in 40 or 45 working days. Is that correct?

Gen. MARSHALL. I have forgotten the number of days he stated—45, I think—but we questioned his ability to complete it in that time.

Mr. BENNET. Subsequently you received a statement from him that he could complete it, I think, in 30 or 35 days, a wire?

Gen. MARSHALL. I do not know. I do not recall.

Mr. BENNET. If there is such a wire, it is in your department?

Gen. MARSHALL. Probably so; yes.

Mr. BENNET. You personally investigated or inspected the Field Museum, did you not?

Gen. MARSHALL. Yes.

Mr. BENNET. And you joined in the unanimous report of the commission in the latter part of December that that project ought not to be continued, did you not?

Gen. MARSHALL. Yes.

Mr. BENNET. Do you know where that report is?

Gen. MARSHALL. No.

Mr. BENNET. It was made and filed in the War Department?



Gen. MARSHALL. Yes.

Senator HARDWICK. To whom was it made?

Mr. BENNET. The project to which I refer is the project to which you refer as the Field Museum?

Gen. MARSHALL. Yes.

Mr. BENNET. That commission consisted of Insp. Gen. John L. Chamberlain, Surg. Gen. Merritt W. Arnold, yourself, Lieut. Col. C. C. Wright, Maj. Lewis W. Stotesbury, and Maj. Strode of the Judge Advocate General's Department?

Gen. MARSHALL. Yes, but the recommendation was not made on any ground of desirability. It was made purely on the grounds that the hospital capacity was insufficient for the locality.

Mr. BENNET. But your unanimous recommendation was that nothing further be done in connection with the Field Museum. Is that correct?

Gen. MARSHALL. Well, I do not know whether it was unanimous or not. Such recommendation was made.

Mr. BENNET. By your commission?

Gen. MARSHALL. I can not recall that distinctly. I think the commission put in a recommendation that there be no alteration in the conditions with reference to that. I think we left it in statu quo.

Senator HARDWICK. It was made to the Secretary of War?

Gen. MARSHALL. Yes. As to the question of my going over that report, I know it was recommended at one time that the Field Museum project be no longer carried on, because the signing of the armistice had changed hospital conditions.

Senator HARDWICK. Is that one of the present hospitals of the Government?

Gen. MARSHALL. No, it is being given up. The lease had been entered into, I am informed, for the property, and the contract with respect to what alterations were necessary in the buildings had been made, but the signing of the armistice came, and the hospital conditions were altered, when it came to abandoning certain leased properties, the necessities for hospital capacity around Chicago became reduced, and that was one of those that was just beginning, and it was determined at that time to proceed no further with that.

Mr. BENNET. The leasing of buildings, is that one of the duties of your division?

Gen. MARSHALL. No.

Mr. BENNET. And therefore you would not know when this Field Museum was leased, would you?

Gen. MARSHALL. No, I do not know. The records of the office, I suppose, show when it was leased.

Mr. BENNET. You merely deal with construction?

Gen. MARSHALL. Yes.

Senator FRANCE. What division would deal with leasing?

Gen. MARSHALL. The real estate unit of the Purchase, Storage and Traffic Division.

Senator BECKHAM. General, this contract between the Government and the Shank Co. was not finally approved by the Secretary of War?

Gen. MARSHALL. No, sir.

Senator BECKHAM. It lacked only that approval, I understand, to make it complete?

Gen. MARSHALL. Yes, sir.

Senator BECKHAM. And yet, as I understand it, the Shank Construction Co. proceeded with the construction of the building?

Gen. MARSHALL. Yes, sir.

Senator BECKHAM. Under what authority did they do that? By what arrangement was that done?

Gen. MARSHALL. Under no authority. As a matter of fact, I do not know whether it was in August or in September, they telegraphed from their office that they were proceeding with the construction and asked us to give clearance for certain materials in the War Industries Board, and the telegram was brought to my attention, and I replied immediately and said to them that the Government had nothing to do whatever with the construction, and that we would not take any steps to get any release for this material. It was upon their own responsibility that they were going forward with it, so far as I know.

Senator HARDWICK. Was it not a wonderfully strange thing that men would spend millions of dollars if there was not at least a contract with the Government?

Gen. MARSHALL. A great many things were done during the war times, particularly perhaps under the conditions that Mr. Hines shows that he was offering them to the Government as a monument to his boy who had been killed in France. He was going ahead with it, as I understood, with the thought that perhaps it would be finally accepted, and I guess unquestionably with the thought that it would finally be accepted, but with the full understanding that it was not even accepted.

Senator BECKHAM. But at any time did Mr. Hines or the Shank Construction Co. have any authority from the Government to proceed with the construction?

Gen. MARSHALL. No, sir.

Senator HARDWICK. You mean in a legal sense?

Gen. MARSHALL. I mean it in a legal sense or in any real sense as well. They knew the pressing need for hospitals.

Senator HARDWICK. Do you not think that these officers might have urged them, "Go ahead; there will be no trouble about it."

Gen. MARSHALL. That may have been the truth. I do not think they did.

Senator FRANCE. There was a feeling that haste was necessary?

Gen. MARSHALL. Yes.

Senator FRANCE. Your division had approved all the plans, but subsequently to that approval the Secretary of War had gone to Europe?

Gen. MARSHALL. The Secretary very seldom passed on them. The Assistant Secretary did almost all of that entirely.

Senator FRANCE. He would have authority?

Gen. MARSHALL. The Assistant Secretary? Yes. Those things rarely went to the Secretary, on those construction programs. On those construction programs the Assistant Secretary had been handling them almost entirely.

Senator BECKHAM. Has the Shank Construction Co. ever presented any bills for construction work?

Gen. MARSHALL. I do not know whether they have or not. I am inclined to think that they have made general statements as to what it is costing them, but I do not think they have made it in the form of presenting a bill.

Mr. BENNET. You do not pretend to be fully advised in relation to the transportation situation at the Speedway?

Gen. MARSHALL. No; I just gave my impressions.

Mr. BENNET. Now, is it not a fact that in those days there was a great deal of haste for construction, and that very many people under precisely similar circumstances simply went ahead with construction after the plans had been approved by your department, and there was a general feeling that the building should be anticipated by the Government?

Gen. MARSHALL. Well, I do not know that there is any case parallel to this.

Mr. BENNET. I am talking about hospitals.

Gen. MARSHALL. I am talking about that. A general contractor would sometimes assemble his forces on the thought that he was going ahead with the contract, but aside from that I do not believe that construction work was gone ahead with at his expense. If the Government had purchased the material, aside from assembling his offices and his overhead, I do not know that he took a risk beyond that. But some of them did take risks to that extent, that perhaps their contracts would not be approved, but that was usually not before the contract itself had been approved.

Mr. BENNET. Let me ask you, for my information, on the 30th of August this contract had been approved by the Surgeon General's office?

Gen. MARSHALL. You have got the date.

Mr. BENNET. You take my word for the date?

Gen. MARSHALL. Yes.

Mr. BENNET. The project had been approved by the Surgeon General's office and by the construction division of the Quartermaster Corps, by the Chief of Operations, by the War Industries Board, as not being too much of a strain on transportation facilities, and commerce, and by the real estate section, which you mention. Is that correct?

Gen. MARSHALL. I can not answer it definitely. I know the Construction Division, and I know that the Surgeon General's division, did, to the best of my recollection. Whether it ever went through the clearance committee of the War Industries Board, or whether it ever went through the real estate section, I do not know. The records would disclose, but I do not recall.

Mr. BENNET. What is your recollection?

Gen. MARSHALL. My recollection is that it was obtained. That is my recollection. I can not be positive.

Mr. BENNET. It had been approved by all these departments, but had not received the approval of the Secretary, or the Acting Secretary of War.

Gen. MARSHALL. That is my recollection, but that would be subject to modification by an examination of the records.

Senator HARDWICK. Was this final approving after or before the signing of the armistice?

Gen. MARSHALL. I think before.

Senator HARDWICK. Was it rejected first before the armistice?

Gen. MARSHALL. I understand what you are trying to get at. I am talking from recollection. I am trying to be careful.

Senator HARDWICK. I would like to have you state that.

Gen. MARSHALL. If you are talking about a matter like this from recollection—

Senator HARDWICK. It is important.

Gen. MARSHALL. I would just like to go into the records, so that it would be answered correctly.

Senator HARDWICK. I would like to have you tell us whether the reason this contract was not finally approved by the Government was because of the armistice coming on and changing the state of things, or whether it was disapproved before that date. In view of some of the statements that have been made it is important. It goes to the vitals of the case.

Gen. MARSHALL. Yes, and that is the reason why I do not want to answer it from recollection.

Senator HARDWICK. Will you refresh your recollection and be prepared to answer that a little later?

Gen. MARSHALL. Yes, or else I can put it in the record.

Senator FRANCE. I would suggest, gentlemen, that inasmuch as the Secretary of the Treasury stated that a survey had been made by the authority of the War Risk Bureau, as I remember that correspondence, if a survey has been made it might be of assistance to you in the making of your survey to secure a copy of it—your survey, I mean, of the possible sites of hospitals?

Gen. MARSHALL. We will get it.

Senator HARDWICK. The letter reads:

A careful investigation has been made of present buildings located in Army camps and cantonments, and also at industrial plants, as to their suitability for hospital purposes. As a result of these investigations the Public Health Service and the medical advisor of the Bureau of War Risk Insurance has come to the conclusion that the barracks located at industrial plants can not be made available for even temporary hospital purposes.

It was made by the Public Health Service and the medical office of the Bureau of War Risk Insurance. You might see what they have done, and see if you think it is necessary for you to go into it further.

The committee will excuse you for the present.

#### **STATEMENT OF DR. W. G. STIMPSON, ASSISTANT SURGEON GENERAL, PUBLIC HEALTH SERVICE.**

Senator HARDWICK. Doctor, are you acquainted with the terms and scope of this resolution under which this committee is acting?

Dr. STIMPSON. Yes, sir.

Senator HARDWICK. Therefore, it will not be necessary to read it. Will you give to the committee such information and facts as you have with respect to the subject matters embraced?

Dr. STIMPSON. Surg. Gen. Blue asked me to express his regret at not being present to-day. He had to attend a meeting of the House Appropriations Committee. He has sent a memorandum in response to your letter, summarizing some of the more important points relative to hospital facilities of the Public Health Service, which I would like to introduce into the record.

(The memorandum referred to is here printed in the record as follows:)

JANUARY 20, 1919.

*Memorandum summarizing some of the more important points relative to need for increased hospital facilities administered by the Public Health Service.*

I.

NEED FOR INCREASED HOSPITAL FACILITIES.

The Public Health Service operates 21 marine hospitals and a sanatorium for tuberculosis at Fort Stanton, N. Mex. These are in addition to 119 relief stations, where no hospitals are owned by the Public Health Service, but where patients are treated in out-patient dispensaries, or sent to local hospitals under contract, when necessary.

The classes of persons entitled to treatment by the Public Health Service at these relief stations and hospitals are as follows:

- Merchant seamen.
- Members of the United States Coast Guard.
- Injured United States civil employees.
- Civilian employees on Army transports.
- Employees on boats of the Mississippi River Commission.
- Beneficiaries of the War Risk Insurance Bureau. (Reimbursement is made by that bureau to the Public Health Service.)

The total number of patients treated during the year 1917 was 64,033. The total number of patients treated during 1918, 71,806, showing an increase of 7,773 over the previous year. Of the above number of patients, there were during 1917, 11,325 treated in the hospitals of the service. In 1918, 12,797 were so treated, showing an increase of 1,472 over the previous year. Total patients treated in contract hospitals during 1917 was 6,666. During 1918 the total was 7,812, showing an increase of 1,146 over the previous year.

The figures above alluded to are for the fiscal year ending June 30, 1918. Since that date the rate of increase has been much more rapid. For example, at Stapleton, N. Y., during the 11 months ending November 30, 1918, 4,687 patients were treated at that hospital, as contrasted with 2,942 for the previous 12 months. This increase was among all the beneficiaries of the service, but patients of the War Risk Insurance Bureau appeared for the first time in 1918, and it is this class which promises to overcrowd the facilities of this hospital, as well as all others operated by the service, unless adequate provision is immediately made to take care of their ever-increasing numbers.

There are at the present writing 930 cases of tuberculosis discharged from the Army, who are now receiving treatment as beneficiaries of the War Risk Bureau. Only a small percentage of these tuberculosis cases are taken care of in hospitals of the Public Health Service. This is because that service does not have accommodations for these patients. The following table will give an indication of what is now confronting the Bureau of War Risk Insurance and the Public Health Service in the way of providing hospital facilities for discharged soldiers and sailors:

Soldiers, sailors, and marines discharged up to Jan. 1 because of tuberculosis, who are entitled to treatment, when needed, by the War Risk Insurance Bureau, under the act of Oct. 6, 1917.....	24, 500
Cases of epilepsy reported up to Dec. 1, 1918.....	5, 220
(Of these, 2,200 had been discharged from the Army up to Dec. 1, and 250 were discharged during December. Number reported during December not yet available, but Army is discharging epileptics at rate of about 250 per month.)	

Mental cases, including psychoneuroses of all types, reported to Jan. 1, 1919, approximately.....	50, 000
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(This includes not only cases already reported to War Risk Bureau, but also those known to exist in the Army but not yet discharged. All of these except the incurable insane, a comparatively small percentage of the total, will be ultimately recommended for discharge.)

It has been stated that the policy of the Army is to keep its tuberculosis cases until they are incapable of further improvement. As a matter of fact, of the 1,724 war-risk cases now actually under treatment, 930 are cases of tuberculosis which have been discharged from the Army. The Army has eight tuberculosis hospitals and at the present time has over 5,000 tuberculosis patients under treatment. Even though

the policy may be to keep cases in the Army until they are arrested or incapable of further improvement by treatment, it is nevertheless a fact that an arrested case is not necessarily a cured case and is liable to suffer a recurrence of the disease under unfavorable conditions. Therefore, even cases of tuberculosis which are discharged as arrested or not needing further treatment by the Army become potential beneficiaries of the War Risk Insurance Bureau, and an increasing number of these will undoubtedly continue to become actual beneficiaries of that bureau and require hospital treatment in the future as they have during the past.

## II.

### AVAILABILITY OF EXISTING BUILDINGS FOR HOSPITAL PURPOSES.

It has been stated that the Government has already spent many millions dollars for hospitals for soldiers and sailors. In this connection the following points should be emphasized:

1. This money has been spent for the military forces and not for beneficiaries of the War Risk Insurance Bureau, who are civilians, and as such are not entitled to treatment by the Medical Corps of the Army.

2. The majority of the newly-acquired hospitals operated by the Army are either temporary structures at camp sites where the ground is leased and where a renewal of the contract could not be made upon reasonable terms, or they are in buildings rented from private parties for the period of the war only, after which they must revert to their owners to subserve the purpose for which they were originally intended.

3. Such of these buildings as are located in Army camps and cantonments are designed to be a part of a large military establishment and can not be efficiently operated except in conjunction with the presence of a large number of enlisted men.

4. The temporary character of these buildings in most instances precludes their availability for permanent occupancy. They are wooden structures the fire risk would in most instances be great the heating of the buildings is frequently done by a central plant designed to heat not only the hospitals but also many other buildings which can not be economically operated for the hospital buildings alone the outlook is often dreary and unattractive, and volunteer patients such as beneficiaries of the War Risk Insurance Bureau will be, will undoubtedly refuse to remain amid such surroundings.

It is freely admitted that there may be some buildings now controlled by the Army or other departments of the Government, which could be used to advantage for temporary hospital purposes and it is the intention of the Public Health Service to utilize such places wherever possible but careful investigation of this whole subject has been made, and it has been determined that in addition to any governmental buildings which might be turned over for hospital purposes temporarily, there is imperative need for increased permanent facilities.

### WAR-RISK BENEFICIARIES ARE CIVILIANS AND NOT SUBJECT TO MILITARY DISCIPLINE.

Under the provisions of the war-risk insurance act, discharged sick or disabled soldiers and sailors are entitled to compensation, and in addition thereto such necessary governmental hospital care as may be necessary, provided their injury or disability was incurred in line of duty and became evident within one year after discharge from the military forces. In this connection it should be noted that War Risk Insurance beneficiaries are naturally to be expected to increase for at least several years after discharge, because the law specifically states that application for benefits accruing under the war-risk insurance act may be made at any time within five years subsequent to discharge. It takes but little reflection to see that among the thousands of cases already discharged for disability and at the present time receiving no compensation, there will be vast numbers who will ultimately make application for and be entitled to receive compensation and treatment. This is a distinctly civilian and not a military problem. The Treasury Department has been charged with the responsibility of caring for these war-risk beneficiaries and the Public Health Service has already a well-organized medical personnel and the nucleus for hospitalization of those who may require it. As the Bureau of War Risk and the Bureau of the Public Health Service are both administered by the same departmental heads, the provision of necessary hospital facilities to be administered by the Public Health Service for war-risk beneficiaries would seem to commend itself from the standpoint of both efficiency and economy.

Respectfully,

· RUPERT BLUE, *Surgeon General.*

Dr. STIMPSON. I was very much interested in the statement that you wanted a correlation between Government hospitals. This question has come up from the desire of this service to furnish hospital accommodations for war-risk insurance patients.

Senator HARDWICK. For the War Risk Bureau patients?

Dr. STIMPSON. The War Risk Insurance Bureau has no hospital and has asked the Public Health Service to furnish hospital accommodations for their patients in order that they would not have to use any other hospital organization. This first request occurred last March, and we have been accommodating these patients in our marine hospitals, which are part of the Public Health Service. These hospitals now have become inadequate.

Senator HARDWICK. The marine hospital is a part of the Public Health Service?

Dr. STIMPSON. Yes.

Senator HARDWICK. And the Navy has no hospitals of its own?

Dr. STIMPSON. It is not a part of the Navy.

Senator HARDWICK. Has the Navy still another one?

Dr. STIMPSON. "Marine" does not refer to the Navy.

Senator BECKHAM. It is broader than Marine Corps?

Dr. STIMPSON. This service used to be called the United States Marine Hospital Service. It was established in 1798 in order to care for merchant seamen, not Navy men, although Navy men at that time at first were admitted.

Senator HARDWICK. Have we another Navy hospital service?

Dr. STIMPSON. The naval hospitals are under the Navy Department.

We received a letter from the Director of the War Risk Insurance Bureau in July, asking whether we could provide for the hospital accommodations. In response to that letter the Secretary of the Treasury sent a letter to the Speaker of the House of Representatives asking \$10,000,000 to provide these accommodations. This bill was taken up with the Committee on Public Buildings and Grounds of the House, and the necessities were given in the hearings. The War Risk Insurance Bureau showed that they would need to begin with about 5,500 beds, and the hospitals were to be placed at any point where the Secretary of the Treasury should desire. As a tentative selection it was intended to put about 2,000 of these beds on marine-hospital reservations, and money would therefore be saved, as the overhead charges are already provided for—the administration buildings and operating rooms.

Another reason for placing these buildings on marine-hospital reservations was that they could be used afterwards for beneficiaries of the Public Health Service—these seamen of which we spoke—a large number on account of the enlargement of the merchant marine.

The question came up at that hearing whether there were not already Government hospitals and buildings that could be used for this purpose, rendering it unnecessary to provide this money. That brings up the question of the hospitals that the Government has at the present time. The hospitals can be divided into two classes, military and civilian. The military would be the hospitals of the Army and Navy and the civilian hospitals are the hospitals of the Public Health Service and the Interior Department.

Senator HARDWICK. St. Elizabeths, out here?

Dr. STIMPSON. That is under the Interior Department.

Senator HARDWICK. Has the Agricultural Department any hospitals?

Dr. STIMPSON. It has no hospitals, except that the Reclamation Service has a few hospitals.

Senator HARDWICK. It has a few?

Dr. STIMPSON. The Reclamation Service is under the Interior Department. So far as I know, the Agricultural Department has no hospitals.

The Public Health Service has 23 hospitals, of which it is operating 22 at the present time. One is undergoing repairs. We have about 1,689 beds in those hospitals. The Interior Department has 5 hospitals, and the Bureau of Education has 87 small hospitals under the Indian Office and the St. Elizabeths Asylum. Besides, there are 11 soldiers' homes.

Senator FRANCE. The Bureau of Education?

Dr. STIMPSON. It has 5 small hospitals in Alaska. It has a capacity of only 50 beds altogether.

Senator HARDWICK. The Bureau of Education has hospitals?

Dr. STIMPSON. Five small hospitals in Alaska, in connection with Indian schools.

The Army was asked if they had any hospitals which they could turn over to the service for use by the War Risk Insurance Department, and they stated that they had not. Subsequently they gave a list of a few hospitals that they thought they could turn over to us. One is the hospital at Camp Johnston. That was brought out at the committee hearing the other day. The other is Camp McArthur.

Senator HARDWICK. Camp Johnston is at Jacksonville, Fla.

Dr. STIMPSON. And the other the hospital at Hot Springs, N. C. These hospitals are in connection with the cantonments at those points. The hospital at North Carolina is built for a hospital alone.

The Navy Department stated that they had no buildings that they could give us under any consideration.

The Ordnance Bureau gave us the names of a number of buildings that were abandoned which they thought we might use possibly for hospitals. Dr. Wilson has been around to see a number of those buildings, and the inspection which is referred to in the Secretary's letter was made by him. He did not inspect all of them, but he inspected enough to determine if they would be suitable for hospital purposes.

The question of adapting buildings, ordinary buildings, for hospital purposes is very questionable. A hospital is a specialized building. To take an ordinary building like a hotel is very expensive. It results in an unstable building, difficult to administer, and entirely unsatisfactory. Supposing you have a hospital of 20 rooms, which is the size of those offered. In connection with the ward, you have to have a number of small rooms, a bath room, a toilet room, wash room, retiring room, smoking room, and a quiet room. You take an ordinary building, one of those buildings, such as those at Camp Johnston, you have a number of wards, and you have a more difficult proposition to handle than where you have a large number of patients in one ward. In these cantonments the field hospital buildings are there built in connection with the large construction, and the central heating plant is often at a distance from the hospital building, and it



is difficult to administer. It is difficult to get enough employees. If you have your buildings scattered you can not administer them economically.

The buildings are temporary, many are made out of green lumber, lumber that has been cut and nailed up, and the roofs are of tar paper.

The aspect of these buildings is bad. Persons have difficulty in getting these War Risk patients to go there. It is a voluntary matter with them if they are willing to go at all.

So that we are not favorable to adopting these buildings at cantonments except in, possibly, special cases, where they are in localities particularly good for that purpose.

Senator BECKHAM. Camp Johnston?

Dr. STIMPSON. Yes; Camp Johnston might possibly be used. I have not seen the place. It is a hospital. They are just barrack buildings, which possibly could be adapted.

Senator BECKHAM. How many beds would be available for your service in these different hospitals?

Dr. STIMPSON. Of the Army?

Senator BECKHAM. Yes.

Dr. STIMPSON. Camp Johnston has about 500 beds, Camp MacArthur about 500 to 700 beds, and there is the same number at Hot Springs.

Senator BECKHAM. That still leaves you far short of the needs you have for the War Risk Insurance Bureau?

Dr. STIMPSON. Yes, sir; and these places then only turn over to us the least desirable buildings. They state that they are the most undesirable for hospital purposes.

Senator HARDWICK. What about Camp Gordon, in Atlanta? Why can they not give you that fine hospital there?

Dr. STIMPSON. They need it for their own purposes. They have always said that they could not give us that; that they need it for their own men.

Senator HARDWICK. They have another one at Fort McPherson. Would the hospital at Camp Gordon be suitable for you?

Dr. STIMPSON. I suppose it is only a cantonment hospital, which is of temporary construction, and I have given the reasons why they are not desirable. We can use them; we can use wooden buildings, even if they are temporary, but they are not what we would prefer.

Senator HARDWICK. We have a number of public buildings in the country that in war times were used for hospitals. Have you had anything like a general survey of those?

Dr. STIMPSON. We have made a survey of these groups; enough to determine that they are not suitable.

Senator HARDWICK. Well, they might not be as desirable as special buildings, specially constructed for hospitals, would be, but could they be used with very little expense?

Dr. STIMPSON. They are going to require a great deal of expense. That is what I am trying to impress upon you—that there will be great expense.

Senator HARDWICK. How about these buildings in the Plaza?

Dr. STIMPSON. They are three-story buildings, not fireproof. We could put patients safely only on the lower floor. There are a number of little rooms, and we would have to knock down a number of parti-

tions. You have to have more nurses if you have only a few patients in a room.

Senator HARDWICK. You could knock the partitions out very easily.

Dr. STIMPSON. Yes; but the kitchen and dining room are entirely separate.

Senator BECKHAM. It would involve a complete remodeling?

Dr. STIMPSON. You would have to remodel.

Senator HARDWICK. I suppose it is more desirable, but I happen to know that the largest hospital in the South is located in a small town with several buildings, but I think it is the most successful in the South.

Dr. STIMPSON. Is it run economically? The Government has to run its hospitals economically.

Senator HARDWICK. The man that is running it is making a barrel of money.

Dr. STIMPSON. Our expense for carrying a patient is \$2.04 a day at all our hospitals. The year before it was \$1.70 a day. Now at most private hospitals the expense is much more than that, even the Sisters' hospitals, where they get donations.

Senator HARDWICK. What I was thinking of was whether it was absolutely necessary to have all of these arrangements, which I admit are desirable, because I know that great hospitals are conducted with no better facilities than these buildings on the Plaza would have, and very successfully conducted, by people in half a dozen States. It is desirable if you have plenty of money, to have everything fine, to suit you exactly. If I was going to build a house, for instance, I could build it without regard to money, but we do it a little differently at times.

Dr. STIMPSON. One thing that is absolutely essential is that it be fireproof.

Senator HARDWICK. I understand that in the Army they have hospitals that are built of wood.

Dr. STIMPSON. They have a lot of men in the Army, and if there is a fire they can take the soldiers and carry them out. We would have only a limited number of employees. We have few attendants and one nurse for every fifteen patients. With our present organization there would be a big fire risk, and we would have to employ more people on account of the danger of fire. In the buildings on the Plaza we would not dare to put any patients above the lower floor. It would be a dangerous thing to do.

Senator BECKHAM. Now, Doctor, take those two bills. Give us your idea about that bill which passed the House—I forget the number of it—and tell us what the needs are for that bill?

Dr. STIMPSON. Well, there are 24,000 cases of tuberculosis discharged from the Army. A man does not become eligible for the War Risk after he is discharged. He is entitled to hospital facilities that he needs. He is a civilian. He is not entitled to go into an Army hospital because he is not any longer a soldier. He has civilian status.

There are about 50,000 cases of mental diseases, neuresthenics, and other forms of nervous trouble in the Army, and we desire to prepare in advance for the caring for the numerous people that we expect to have to take care of. We do not want them to be thrown on us and

have no place to take them. During this influenza epidemic Dr. Banks, who is medical adviser of the War Risk Bureau, had to stop sending patients to hospitals because the hospitals were full and crowded. We could not take them in Marine hospitals, and we could not get them in civilian hospitals on account of the epidemic.

Senator FRANCE. A discharged soldier suffering from an acute disease would not be cared for by one of your hospitals?

Dr. STIMPSON. Not unless it could be traced to some condition in the Army.

Senator FRANCE. In other words, you are seeking facilities for the treatment of chronic diseases, such as tubercular diseases and mental diseases.

Dr. STIMPSON. Yes, a large majority would be chronic.

Senator HARDWICK. Any disease contracted in the service?

Dr. STIMPSON. Any disease that he had after he passed the draft board. He was supposed to be sound when he passed the draft board.

Senator FRANCE. Those you have called chronic in the sense that they would be of long standing.

Dr. STIMPSON. It would be very likely to be chronic. You might get a condition superimposed upon a chronic possibility. The longer a man has been away from the Army the more likelihood there is of a chronic condition if he gets sick, contracted while in the Army.

Senator FRANCE. What plans are being made for the caring for these 24,000 tubercular patients who have already been discharged?

Dr. STIMPSON. Dr. Banks can answer that question. He has given a statement here which shows that.

Senator FRANCE. You are not seeking facilities for the care of those?

Dr. STIMPSON. Yes, sir; we are doing it for the War Risk Bureau.

Senator FRANCE. But you are only asking for 5,000?

Dr. STIMPSON. We are asking for that as a beginning. We can only take care of such patients as are willing to go to the hospitals.

Senator HARDWICK. Pardon me, as your needs increase, your hospital needs, is it not probable that the needs of the Army, the Army's hospital needs, will decrease, and that we might be able to convert some of their hospitals into hospitals for you?

Dr. STIMPSON. That is the reason why we have asked for only 5,000.

Senator HARDWICK. You anticipated that?

Dr. STIMPSON. At the time we asked for 5,000 it was put at that figure because we anticipated that in all probability the Army would be able sooner or later to give us some hospitals.

Senator HARDWICK. If that is going to be true, it absolutely correlates these hospital needs to some extent?

Dr. STIMPSON. Only correlating them to this extent. We are going to place marine hospitals at the disposition of the War Risk Insurance Bureau. Now anything else—the Army has its own people to take care of, both the Army and Navy, and they have their own things to look after.

Senator HARDWICK. They have rules and regulations different from yours?

Dr. STIMPSON. Yes; and civilian hospitals, it seems to me, are necessities.

Senator HARDWICK. It strikes me that with some central control, some authority to say, "Now this bureau shall give to the other this

hospital or that," there would be an advantage over having them administered separately.

Dr. STIMPSON. If the Army should be demobilized to a small number say 500,000 men, they could then only turn over these temporary hospitals to us. They had four base hospitals before the war, and they will certainly need them, because they have soldiers at all posts, and the only hospitals they could turn over to us would be these cantonment hospitals or temporary buildings which they are using now for demobilization. So, unless you want us to use these temporary buildings, the structures that the Ordnance Department can turn over to us for conversion into use, there would be nothing to expect from the Army.

Senator HARDWICK. You take a proposition like the Chicago speedway, which shows that Mr. Hines built a great hospital out there, said to be the largest in the world, over which there has been some trouble about the acceptance of it by the Government. They do not want it unless they have to take it over, because the war is over, and they do not want to expend the money, and it looks as if that would be something that you could use.

Dr. STIMPSON. We are asking for \$10,000,000, and we would not want to put \$2,000,000 or \$3,000,000 of it into a hospital like that.

Senator HARDWICK. I was wondering, if the Government is legally or morally bound, whether it would not be well for you to take it?

Dr. STIMPSON. That would be an exception, if the Government owned that and the War Department turned it over to us.

Senator HARDWICK. Would that meet your needs to a certain extent?

Dr. STIMPSON. Yes; but in the first place, that provides for 3,500 beds. There is a question whether we would need that many beds in that location. These war-risk patients we desire to have near their homes to a certain extent. That is the only reason why we are putting 2,000 of them in marine hospitals, because marine hospitals are scattered all over the country.

Senator HARDWICK. It gives you many different bases?

Dr. STIMPSON. Yes, sir. The Speedway hospital has 3,000 beds, and it is doubtful if we could use that hospital to the whole extent. We might use a portion of it.

Senator HARDWICK. I had that in mind only as considering the question whether the Government proposes to take that over, and the War Department has no further need for it.

Dr. STIMPSON. That is the only thing, and not the permanent construction?

Senator FRANCE. Would it be better to spread the tuberculosis patients around, or put them in one hospital rather than put them in the marine hospitals?

Dr. STIMPSON. Dr. Banks has stated that he needs a tuberculosis sanitarium, now, at the present time, in the South. He needs it for the War Risk Insurance Bureau.

Senator BECKHAM. That is the one provided for in the bill that passed the House?

Dr. STIMPSON. That provision was in the bill which passed the House yesterday.

Senator FRANCE. If you eliminate the tubercular cases and the mental patients—and it is my judgment that the mental cases

should be taken care of in a special hospital—what particular diseases would you treat in these hospitals?

Dr. STIMPSON. There are a large number of chronic diseases that we might have to treat; very probably, for instance, heart disease, when they get in the last stages. A man may live six months or a year. Then there are Bright's disease and rheumatism, and things of that kind, and paralysis.

Senator HARDWICK. Have you prepared certain statements to go with your testimony?

Dr. STIMPSON. Yes, sir.

Senator HARDWICK. Put them with your report.

(The statements referred to are here printed in the record, as follows:)

#### HOSPITALS OPERATED BY THE NAVY.

According to information received from Dr. W. E. Eaton on January 21, 1919, the Navy operates 23 hospitals at the following localities:

Annapolis: Existed before the war; no additions.

Chelsea, Great Lakes, Mare Island, Newport, New York, Norfolk, Paris Island, Philadelphia, Portsmouth, Puget Sound, and Washington: All existed before the war; additions built during war.

Fort Lyons, Colo.: Tuberculosis camp.

Cape May, Charleston, Gulfport, Hampton Roads, League Island, New Orleans, Pelham Park, and Pensacola: All new; built since the war began.

New London: Leased buildings; temporary additions.

If Navy does not decide to retain this last hospital it will go back to the civilian community.

Dr. Eaton states that the Navy needs all its present hospital facilities and has no buildings of any description which it can turn over to any other department of the Government. He states that the total bed capacity of the naval hospitals is approximately 15,000.

#### HOSPITALS OPERATED BY THE DEPARTMENT OF THE INTERIOR.

*Bureau of Education.*—Five small hospitals in Alaska, with a total bed capacity of less than 50.

*Indian Office.*—Eighty-seven hospitals, 12 of which are combined hospitals and sanatoria. Total bed capacity, 2,500. None of these hospitals were built since the war, and the chief clerk of the Indian Service states that the hospital facilities which they have are not adequate for their needs.

St. Elizabeths Hospital (for the insane).

#### BRANCHES OF THE NATIONAL HOME FOR DISABLED VOLUNTEER SOLDIERS.

Central, Dayton, Ohio.

Northwestern, Milwaukee, Wis.

Southern, Hampton, Va.

Eastern, Togus, Me.

Western, Leavenworth, Kans.

Marion, Marion, Ind.

Pacific, Santa Monica, Cal.

Danville, Danville, Ill.

Mountain, Johnson City, Tenn.

Battle Mountain Sanitarium, Hot Springs, S. Dak.

Soldier's Home, Regular Army, Washington, D. C.

#### PLANS OF THE PUBLIC HEALTH SERVICE FOR CONSTRUCTION OF HOSPITALS IN THE NEAR FUTURE.

The Public Health Service now operates 22 marine hospitals, including a sanatorium at Fort Stanton. The total bed capacity of these hospitals at the present time is approximately 1,600. On March 28, 1918, Congress authorized the expendi-

ture of \$1,273,000 to increase the bed capacity of these hospitals. The authorized increase is as follows:

At the marine hospital—	Beds.
Boston, Mass.....	117
New York, N. Y.....	150
Baltimore, Md.....	128
Savannah, Ga.....	50
New Orleans, La.....	124
San Francisco, Cal.....	160
Detroit, Mich.....	15

This makes building operations authorized to increase the existing bed capacity by 744. Construction has actually commenced at San Francisco, New Orleans, and New York. Work has not yet started at the other places mentioned. A table is attached hereto showing the location of the Marine Hospitals where it is proposed to increase the bed capacity, their present bed capacity, the additional beds already authorized, and the proposed additional beds in the event that Congress enacts the legislation which will make this possible. It will be noted that the total bed capacity, even after all additional authorized and proposed beds are added, will still be less than one-sixth of the number of beneficiaries of the War Risk Bureau whose names and addresses have already been received, and who are potential cases for future hospitalization.

Station.	Present beds.	Additional beds authorized.	Proposed beds.	Total.
Baltimore, Md.....	123	128		251
Boston, Mass.....	108	117	100	325
Buffalo, N. Y.....	40			40
Cairo, Ill. (undergoing repairs preparatory to reopening).....	32			32
Chicago, Ill.....	96		275	371
Cleveland, Ohio.....	63		200	263
Detroit, Mich.....	41	15	100	156
Evansville, Ind.....	40		200	240
Fort Stanton, N. Mex.....	250		1,000	1,250
Key West, Fla.....	35			35
Louisville, Ky.....	34		100	134
Memphis, Tenn.....	35			35
Mobile, Ala.....	34			34
New Orleans, La.....	100	124	200	424
New York, N. Y.....	200	150		350
Pittsburgh, Pa.....	40			40
Portland, Me.....	46			46
Port Townsend, Wash.....	65			65
St. Louis, Mo.....	73		200	273
San Francisco, Cal.....	140	160	200	500
Savannah, Ga.....	50	50		100
Vineyard Haven, Mass.....	27			27
Wilmington, N. C. (undergoing repairs preparatory to reopening).....	17		200	217
Norfolk, Va.....			300	300
Seattle, Wash.....			150	150
Berkshire Hills.....			1,000	1,000
North Carolina.....			1,000	1,000
Three new sanatoria.....				
	1,689	744	5,225	7,658

#### ESTIMATE AS TO PROBABLE COST OF TRANSFORMING GOVERNMENT BUILDINGS INTO HOSPITALS.

In regard to the expenditure for converting temporary structures now used as barracks for workmen at industrial plants into hospitals, it should be observed that the character of the buildings themselves in most instances precludes this procedure at any cost. In conference with Maj. Lewis, of the Hospital Construction Division, Quartermaster Corps, United States Army, it was estimated that to convert the barracks at the nitrate plant at Toledo, Ohio, into a temporary hospital would cost in the neighborhood of \$175,000, whereas the cost for the conversion of those located at Cincinnati, Ohio, would be about \$250,000.

A representative of the Public Health Service visited both these sites and inspected the buildings with a view of determining their adaptability for hospital purposes. In his opinion money spent this way at those localities would be practically wasted, because the results would be only temporary structures situated in surroundings unfavorable for the successful conduct of either a hospital or a sanatorium.

Blue prints of the barracks for workmen at Bethlehem, Pa., have been examined, but no estimate made as to the cost of transforming these buildings into hospitals. From a study of these blue prints it is believed that such transformation could only be effected by the expenditure of a great deal of money, and that the result would be similar to that mentioned at Toledo and Cincinnati.

In connection with the use of temporary structures for hospital purposes it can not be too strongly emphasized that the fire risk will necessarily be great in every instance and can not be successfully overcome without the presence of a large number of men whose sole duty is to watch for and put out fires. The danger from fire has already been noted by the general public. (See attached newspaper article from a Chicago publication, and also attached editorial from The Modern Hospital, relative to fire risk in hospitals.)

Should it be decided to convert existing temporary camp hospitals into buildings suitable for permanent use, it would be necessary to do the following things: Paint the buildings, plaster them inside, change the character of the heating plant in many instances. This would have to be done at once. In a short time it would be necessary to make repairs in order to keep these buildings in proper shape. Nearly all are set on wooden posts, and the foundations would be among the first things to be considered. The roofs would soon demand attention. Permanent walks leading from the various buildings would have to be constructed in many instances. No estimate has been made of the cost of converting these temporary hospitals into permanent ones, but it can be clearly seen that it would necessarily be very great.

Senator BECKHAM. You think, Doctor, therefore, that we really need, for the care of these discharged soldiers, the hospitals provided for in that bill which passed the House and which is now before the Senate?

Dr. STIMPSON. I do.

Senator BECKHAM. And also that the other bill which has not passed the House, but which is before it, should be passed, too?

Dr. STIMPSON. Yes, the secretary thinks so. He has approved both projects. The Surgeon General has, also, and we certainly think they are needed. You have got to take care of these boys.

Senator BECKHAM. You feel, after a reasonably full survey of the various military hospitals, that there would not be sufficient to take care of these discharged invalid soldiers.

Dr. STIMPSON. There will be very few that can practically be used for that purpose.

Senator BECKHAM. They will not be adequate?

Dr. STIMPSON. No, sir. As the bill reads at present, it requires us to use Government buildings, that are available before we build new buildings. The Secretary of the Treasury has to be satisfied that we want a hospital in a certain location.

Senator HARDWICK. Any building that belongs to any branch of the Government?

Dr. STIMPSON. Yes, that can be turned over to us.

Senator HARDWICK. I mean, for instance, in the Department of Agriculture, if the Department of Agriculture has a building that they did not use, you would take that, too?

Dr. STIMPSON. We would take it if the department was willing to turn it over to us and it could be made use of.

Senator HARDWICK. You would have to get the authority of the secretary of the department first?

Dr. STIMPSON. The department would be directed to turn it over to us if it was not needed. This is required.

Senator HARDWICK. We expected to hear Dr. Banks, but we have a very important bill before the Senate, which is likely to be voted on in a minute. Therefore we will adjourn.

(Thereupon, at 1.20 o'clock p. m., the subcommittee adjourned until to-morrow, Thursday, January 23, 1919, at 2 o'clock p. m.)

## MILITARY HOSPITALS.

THURSDAY, JANUARY 23, 1919.

UNITED STATES SENATE,  
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS,  
*Washington, D. C.*

The subcommittee met, pursuant to adjournment, at 2.10 p. m., in the committee room, Capitol, Senator Thomas W. Hardwick presiding.

Present: Senators Hardwick (acting chairman), Beckham, France, and Lenroot.

Senator HARDWICK. Gen. Marshall, will you please come to the stand? You promised us yesterday that you would supplement the statements you made yesterday, with particular reference to points that you promised to look into and let us know about.

### TESTIMONY OF GEN. R. G. MARSHALL—Resumed.

Gen. MARSHALL. You asked me to get the data upon which the disapproval of the Speedway project was made. I find in looking up the records that the letter from my office was dated September 9, and the indorsement on the letter of the Surgeon General was dated September 18, and the disapproval by the Assistant Secretary of War is not dated, but the date on which the paper was received back is September 28.

Senator HARDWICK. Was that a recommendation that it be allowed?

Gen. MARSHALL. Yes; we thought it was a good project.

Senator HARDWICK. And the Surgeon General's office indorsed it, too?

Gen. MARSHALL. All the papers with the disapproval on it were received back on September 28 in our office. There might be some other copies that are of interest in connection with the various statements that have been made. In looking through the records it is brought back to my memory that this proposition was first presented to our office by a letter signed by Mr. Shank, and that it was represented to our office by a Mr. Erskine, and that Mr. Hines did not appear in this matter until October 10, after the disapproval by the Assistant Secretary of War, and so far as I know and so far as I recollect, no one in my office had cognizance of the fact that Hines was in any way connected with it up to that time, and almost



all of the reports that were made were made by Mr. Erskine. He was here a few minutes ago.

Senator HARDWICK. There was no statement that would contradict the fact that he was acting for Mr. Hines?

Gen. MARSHALL. I do not know whether he was or not. I tried to establish that fact, but could not, either that he was or was not. Further search might disclose it.

Senator HARDWICK. If you find that you can send it in.

Gen. MARSHALL. I have not had much time, because when I left here I went to the Military Affairs of the House and did not leave there until 5.30, and had to go up to the Appropriations Committee to-day, so that I have not been able to make as exhaustive a search as I might have.

Senator HARDWICK. Were there any other particular points with respect to this particular Speedway Hospital project that you were requested to furnish?

Gen. MARSHALL. I have furnished the reporter with a table that I said I would furnish, giving corrected statements of the number of beds. I had to check that up and get it to agree with the table. I found that the small statement and the table did not agree.

Senator HARDWICK. So you revised the table?

Gen. MARSHALL. Yes; and I believe it to be entirely accurate now.

Senator HARDWICK. Still, under that revised table the Speedway proposition does not appear as one of the governmental available hospitals?

Gen. MARSHALL. No, sir.

Senator HARDWICK. And that could not in view of the disapproval?

Gen. MARSHALL. No, sir.

There is another thing. Mr. Fitzgerald was stated to be a Government employee. So far as I can learn this Fitzgerald is not and never has been a Government employee.

Senator HARDWICK. Do you mean connected with your department?

Gen. MARSHALL. Yes; connected with my department.

Senator HARDWICK. Are there any other branches of the Government service that might have an inspector on a place like that?

Gen. MARSHALL. I doubt it. I am informed that he was an employee of Schmidt, Garden & Martin, the architects.

Senator HARDWICK. He was one of their employees?

Gen. MARSHALL. I am informed he was one of their employees.

Senator HARDWICK. Were those architects under the employ of the Government for any projects?

Gen. MARSHALL. No, sir; Mr. Schmidt was on the board and was selecting buildings for hospital purposes in a certain territory which included Chicago.

Senator HARDWICK. So that he did have a general official connection with the Government?

Gen. MARSHALL. Yes.

Senator HARDWICK. This was the firm that had been virtually agreed upon as the architects for the building if the contract was approved?

Gen. MARSHALL. Yes; we had determined in our office that this would be the firm that we would select.

Senator HARDWICK. And they had been advised of that determination?

Gen. MARSHALL. Yes.

Senator HARDWICK. Now was there any other specific information that we asked you to give or refresh your memory about in connection with this Speedway matter?

Gen. MARSHALL. I think not.

Senator HARDWICK. Anything else, Mr. Bennet?

Mr. BENNET. I asked him if he would bring the contracts signed in triplicate and the plans.

Gen. MARSHALL. I did not see those in the papers and I do not think they are on file at the office, and I do not think I could give them to the committee without the authority of the Secretary of War.

Senator HARDWICK. You think we should have the Secretary of War for that?

Gen. MARSHALL. Yes, sir.

Senator HARDWICK. In other words, you would not feel at liberty to move those papers from the office without the direction of the Secretary?

Gen. MARSHALL. No, sir.

Senator HARDWICK. I can understand why an officer would not feel like doing that.

Now, I remember I asked you yesterday to give me your views in a general way about some possible coordination of all these building activities, possibly a department of public work or something like that, and I think you said you would look into that a little, and possibly would have some views later on which you could give to the committee. Are you prepared to do that now?

Gen. MARSHALL. Yes; I have discussed that matter in the last year and a half with a number of prominent engineers, and I have learned since yesterday that the Engineering Council has definitely on foot a plan to be presented, and they are trying to find the ways and means of presenting it now.

Senator HARDWICK. Is that an official Government activity?

Gen. MARSHALL. No; the Engineering Council is a body that has been formed by different engineering societies, the American Society of Civil Engineers, the American Society of Mining Engineers, the American Society of Mechanical Engineers, the American Society of Electrical Engineers—the greatest engineering societies in this country—have formed what they call the Engineering Council, and in this council one of its prime objects is the establishment of such a department in our Government, and I am informed that such a department does exist in both France and England.

Senator HARDWICK. Yes; I thought so, you remember I said so yesterday.

Gen. MARSHALL. I did not have a chance to verify that, but my information was entirely reliable.

I have discussed that matter at some length with C. A. Morse, who is the chief engineer of the Rock Island Railroad, and who is now with the Railroad Administration, and has been for some time, for the last six months. The Secretary of War appointed a committee to investigate construction work, about September, and Mr. Morse was a member of this committee. He had not then been appointed on the Railroad Administration. I think it was in August.

He was the chief engineer of the Rock Island Railroad at that time, and that is where I happened to come in contact with him. I had been to several construction depots with him, and we had discussed the whole range of the engineering field, I think, and I believe that if this committee wants to get information, mature information, information from a much more mature head than mine certainly it could do no better than to call Mr. Morse. He is now in Washington.

Senator HARDWICK. Where will we reach him?

Gen. MARSHALL. At the Railroad Administration. He is the head of one of their divisions, Maintenance and Way, I think—Assistant Director in charge of Maintenance and Way of the Railroad Administration. Also, Mr. Francis Blossom, of the firm of Sanderson & Porter, of New York. He was also on this committee that the Secretary had appointed to investigate construction work that had been done, and I think that those two would have a more intelligent insight into Government activity along this line than others. They have come in contact with various branches of the Government, Mr. Morse having that very thing in the Railroad Administration, and having, by reason of being on this board, to investigate the War Department work, and besides because of their intimate knowledge of the engineering societies and their actions.

And I think, too, if the committee wants to inform itself further, that this Engineering Council would be not only glad but anxious to give the committee the information that they have compiled.

Senator HARDWICK. Could you give us the name of that council that we would have to communicate with?

Gen. MARSHALL. Mr. Layton is the secretary.

Senator HARDWICK. Give his name and address.

Gen. MARSHALL. I will have to get that. He is in the McLachlen Building here.

Senator HARDWICK. In Washington?

Gen. MARSHALL. Yes, sir. He established an office here.

Senator HARDWICK. Have you any views of your own that you would care to express in a general way on the subject?

Gen. MARSHALL. In a general way, I can not help but believe that it would result in direct economy to the Government in the first place, and would enable the Government to standardize, which the Government is unable to do now. I can repeat some of it from my own knowledge. In 1908, when I first came to Washington, we had great trouble with plumbing. Different plumbing manufacturers had different standards, and when you broke a plumbing fixture of one manufacturer another manufacturer's fixture would not go in that place, so that one of the things that I tried to inaugurate was standard plumbing fixtures for Government use. I got the Treasury Department and the Navy Department, and we formed ourselves into a board, and we got that standardized. It was a very difficult thing to do, and it is the same way with other things, including standard materials or standard methods of doing business. I believe, as many people believe, that the construction work of this country has never had a leader. It has never had anybody to point out to them how to do it right, and what is the most modern and best way to do it. The Government itself does not lead because it has a half dozen competing elements.

Senator HARDWICK. There is not one uniform system among the governmental agencies?

Gen. MARSHALL. I can not help but believe that it will serve a great part in the economics of the country if these are all brought together.

Senator HARDWICK. Now, General, we are very much obliged to you again for your statement.

Is there anything else you want to say?

Gen. MARSHALL. Senator, yesterday you asked me for figures on the conversion of our present Army posts and camps into hospitals. I do not want to be understood as advocating that the War Department release any of these properties. I am simply trying to give you the information that you asked for.

Senator HARDWICK. At the same time, you would not oppose the release of any of these properties that can be released?

Gen. MARSHALL. I am not opposing—neither advocating or opposing—but trying to give the facts you ask for. I have taken some five Army posts not now occupied—Fort William Henry Harrison, Mont.; Fort McKenzie, Wyo.; Fort Meade, S. Dak., or N. Dak.; Fort Missoula, Mont.; Fort Lincoln, Nebr.; and Fort Logan, Colo. I have taken these places on the basis of 80 square feet per bed, and 1,000 cubic feet per bed, allowing 30 per cent of the space for the utilities in connection with the hospitals, such as operating rooms and other things, and the hospitals that I have worked out in this table on that basis at these posts are all of substantial construction, brick or concrete or similar material, and well laid out, and, generally speaking, in beautiful localities, so far as their surroundings are concerned. They are in the country, but they are amid beautiful surroundings. For instance, Fort Missoula is on a plain, backed up by mountains on two sides of it, and it is out 5 or 6 miles from the town of Missoula. Street cars run out there, and the buildings are substantial, though old. That is probably the least desirable of these that I have here.

Senator HARDWICK. What do they show in the aggregate?

Gen. MARSHALL. William Henry Harrison 164 beds, Fort McKenzie 377, Fort Meade 466, Fort Missoula 211, Fort Lincoln 153, and Fort Logan 384; a total of about 1,800 beds.

Senator HARDWICK. That is not being used by the Army now?

Gen. MARSHALL. Not being used at all. Here is a picture [indicating] that shows the character of the hospitals, the character of the buildings. Every building on the post is in this book.

Senator HARDWICK. Why wouldn't this be suitable for this War Risk Bureau?

Gen. MARSHALL. I do not know.

Senator HARDWICK. You are not using them?

Gen. MARSHALL. I think probably they could have them if they want them. I do not know whether they want them, or whether they are available. I am just showing the physical conditions. I think that they would be available.

Senator LENROOT. What is the state of repair?

Gen. MARSHALL. The buildings are excellent. In Fort William Henry Harrison the barracks will need considerable repairs. The officers' quarters are good.

Senator HARDWICK. Has any estimate been made of the cost of repairs?

Gen. MARSHALL. Yes; \$65,000. I think it would be double that amount, because it has not been occupied for a year or more.

Senator HARDWICK. To make available those beds to the Government, have you figured what it would cost—what the cost of the repairs would be in the aggregate?

Gen. MARSHALL. \$130,000 or \$140,000.

Senator HARDWICK. For the five?

Gen. MARSHALL. No; one.

Senator HARDWICK. What is the aggregate for the five?

Gen. MARSHALL. Probably \$800,000 to \$1,000,000.

Senator HARDWICK. To get those five hospitals?

Gen. MARSHALL. Yes; all of them.

Senator HARDWICK. 1,800 beds, or something like that?

Gen. MARSHALL. Approximately. That would be as good a figure as we could give without going over the premises and going into details.

Senator BECKHAM. Are those the only Army hospitals that would be available for this service?

Gen. MARSHALL. These are Army posts, barracks, officers' quarters, and storehouses, and other buildings that go with Army posts.

Senator BECKHAM. Their abandonment as military posts is only temporary, is it not?

Gen. MARSHALL. Well, I do not think that we can say that anything is other than temporary in connection with the military now. I think it is absolutely unsettled, but I doubt very much whether they will ever go back to these small places. The largest one of these has a capacity of 1,398 men. That is at Fort Meade, S. Dak. I doubt very much whether the Army goes back into those small places.

Senator HARDWICK. Then, this property will probably not be used by the Army?

Gen. MARSHALL. I think they will go to larger communities. I think that is the tendency of the times, unquestionably.

Senator LENROOT. You think the cost would be \$950 a bed?

Gen. MARSHALL. \$500 a bed, at those places. I think when you get there on the ground you will find something gone to pieces that you did not anticipate. I think the cost would be double that which has been estimated.

Senator HARDWICK. The papers that you have will show the details of this information?

Gen. MARSHALL. Yes.

Senator HARDWICK. Give those to the reporter.

Gen. MARSHALL. I want to change these figures, because I am just a little scared of them. These are on the buildings themselves, and experience would indicate that, when you are going into a place like that that has not been used for a long time, you can not sit here in Washington and say what it is going to cost.

(The statements referred to are here printed in full as follows:)

<i>Hospitals at the beginning of the war.</i>	
	Beds.
Post hospitals (132)-----	5, 336
General hospitals (4)-----	1, 330
<i>Total hospitals beginning of war (136)-----</i>	<i>6, 666</i>

# MILITARY HOSPITALS.

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## Hospitals built since the war.

(Available at the present time.)

	Beds.
General hospitals, including above four general hospitals (43)-----	31,508
Base hospitals (41)-----	66,006
Embarkation and debarkation hospitals (9)-----	11,545
Total new projects (93)-----	109,059

## Hospitals on which work has just started.

	Beds.
St. Louis General Hospital, St. Louis, Mo.-----	500
Philadelphia General Hospital, Philadelphia, Pa-----	500
Total -----	1,000

We are advised by the Surgeon General's Office that there are no further hospitals contemplated.

	Present available bed capacity.	Total ultimate bed capacity.
General hospitals.....	28,393	39,074
Base hospitals.....	66,006	66,654
Embarkation and debarkation hospitals.....	11,545	12,895
Tubercular hospitals.....	3,115	6,736
Post hospitals.....	5,336	5,336
Total.....	114,395	124,696

## MILITARY HOSPITALS.

*Hospitals.*

## GENERAL HOSPITALS.

Project.	Location.	Present available bed capacity.	Total ultimate bed capacity.	Type of construction.	Remarks.
No. 1.....	Williamsbridge, N. Y.....	1,258	1,082	Tile and wood.....	New.
No. 2.....	Fort McHenry, Md.....	1,577	2,800	.....do.....	Do.
No. 3.....	Colonia, Rahway, N. J.....	1,809	1,650	Wood.....	Do.
No. 4.....	Fort Porter, N. Y.....	322	322	Brick and wood.....	Alterations and additions.
No. 5.....	Ontario, N. Y.....	664	660	.....do.....	Do.
No. 6.....	Fort McPherson, Ga.....	2,220	2,000	.....do.....	Do.
No. 7.....	Roland Park, Md.....	110	350	.....do.....	Alterations and additions, leased building.
No. 8.....	Otisville, N. Y.....	589	950	Wood.....	New.
No. 9.....	Lakewood, N. J.....	977	1,026	Brick and wood.....	Alterations and additions, leased building.
No. 10.....	Boston, Mass.....	398	400	.....do.....	Do.
No. 11.....	Cape May, N. J.....	710	700	.....do.....	Do.
No. 12.....	Baltimore, N. C.....	451	450	.....do.....	Do.
No. 13.....	Dausville, N. Y.....	284	288	Brick.....	Existing.
No. 14.....	Oglethorpe, Ga.....	1,463	1,300	Brick and wood.....	Alterations and additions.
No. 15.....	Corpus Christi, Tex.....	236	262	.....do.....	Alterations.
No. 16.....	New Haven, Conn.....	509	700	Wood.....	New.
No. 17.....	Markleton, Pa.....	185	335	Brick and wood.....	Alterations and additions, leased building.
No. 18.....	Richland, N. C.....	600	400	.....do.....	Do.
No. 19.....	Asalea, Oteen, N. C.....	1,000	2,000	Tile and stucco.....	New.
No. 20.....	Whipple Barracks, Prescott, Ariz.....	341	1,250	.....do.....	Alterations and additions.
No. 21.....	Denver, Colo.....	700	2,486	.....do.....	New.
No. 22.....	Richmond, Va.....	670	1,000	Brick.....	Alterations, leased building.
No. 23.....	Hot Springs, N. C.....	612	612	.....do.....	Do.
No. 24.....	Parkview, Pa.....	425	425	Brick and wood.....	Alterations and additions, leased building.
No. 25.....	Fort Benjamin Harrison, Ind.....	549	600	.....do.....	Alterations.
No. 26.....	Fort Des Moines, Iowa.....	1,073	990	.....do.....	Alterations and additions.
No. 27.....	Fort Douglas, Utah.....	309	309	.....do.....	Do.
No. 28.....	Fort Sheridan, Ill.....	1,345	5,000	.....do.....	Do.
No. 29.....	Fort Snelling, Minn.....	1,116	1,100	.....do.....	Do.
No. 30.....	Plattsburg Barracks, N. Y.....	1,200	1,200	Wood.....	Do.
No. 31.....	Carlisle, Pa.....	89	700	Brick and wood.....	Alterations and additions, leased building.
No. 32.....	Chicago, Ill.....	500	635	Brick.....	Alterations, leased building.
No. 33.....	Fort Logan Roots, Ark.....	508	500	Brick and wood.....	Alterations and additions.
No. 34.....	East Norfolk, Mass.....	340	326	Brick.....	Alterations, leased building.
No. 35.....	West Baden, Ind.....	422	1,500	.....do.....	Do.
No. 36.....	Ford, Detroit, Mich.....	.....	1,500	.....do.....	Do.

No. 37. No. 38. No. 39. Army and Navy. Fort Bayard. Letterman. Walter Reed.	Madison Barracks, N. Y. East View, N. Y. Long Beach, Long Island, N. Y. Hot Springs, Ark. Fort Bayard, N. Mex. San Francisco, Cal. Washington, D. C.	259 100 120 266 1,717 1,253 2,171	250 Brick do. do. Brick and wood. do. Tile and wood.	Alterations and additions. Alterations, leased building. Do. Existing. Alterations and additions. Do. Do.
Total (43)		31,508	45,810	

BASE HOSPITALS.				
			Wood.	New.
Bowie	Port Worth, Tex.	1,240	1,486	Do.
Beauregard	Alexandria, La.	1,680	1,178	Do.
Cody	Deming, N. Mex.	1,160	1,342	Do.
Custer	Battle Creek, Mich.	1,438	1,858	Do.
Devens	Ayer, Mass.	1,027	1,810	Do.
Dix	Wrightstown, N. J.	1,860	1,978	Do.
Dodge	Des Moines, Iowa	1,850	1,954	Do.
Edgewood Arsenal	Mayfield, Virginia	328	350	Do.
Ft. S. J.	Osborne, Va.	598	600	Do.
Fremont	Atlanta, Ga.	1,266	1,470	Do.
Gordon	Rockford, Ill.	1,042	1,322	Do.
Grant	Charlotte, N. C.	2,000	1,978	Do.
Greene	Augusta, Ga.	1,584	1,563	Do.
Hancock	Virginia	1,443	1,617	Do.
Humphreys	South Carolina	599	613	Do.
Jackson	Jacksonville, Fla.	1,700	1,700	Do.
Johnston	Little Rock, Ark.	1,883	1,833	Do.
Keamy	Petersburg, Va.	1,469	957	Do.
Lee	American Lake, Wash.	2,140	1,953	Do.
Lewis	Houston, Tex.	2,386	1,997	Do.
Logan	Waco, Tex.	1,400	1,790	Do.
MacArthur	Anniston, Ala.	1,400	1,370	Do.
McTear	Admiral, Md.	1,793	1,693	Do.
Meade	Little Rock, Ark.	1,980	2,009	Do.
Miller	Green Isle, S. C.	1,862	2,238	Do.
Shelby	Hattiesburg, Miss.	1,230	959	Do.
Sheridan	Montgomery, Ala.	1,216	1,310	Do.
Sill, Fort	Chillicothe, Ohio	1,310	1,833	Do.
Taylor	Oklahoma	1,617	820	Do.
Tra la	Louisville, Ky.	1,826	1,833	Do.
Union, L. I.	Texas	1,836	1,997	Do.
Wadsworth	Yonkers, N. Y.	1,354	1,739	Do.
Wheeler	Spartanburg, S. C.	1,662	1,634	Do.
Camp Merritt	Marion, Ga.	966	1,248	Do.
Camp Mills	Tenafly, N. J.	5,364	2,200	Do.
Camp Stuart	Long Island, N. Y.	1,016	635	Do.
Fort Bliss	Virginia	4,579	1,343	Do.
	Texas	644	883	Alterations and additions.



## MILITARY HOSPITALS.

*Hospitals—Continued.*  
BASE HOSPITALS—Con. Inued.

Project.	Location.	Present available bed capacity.	Total ultimate bed capacity.	Type of construc- tion.	Remarks.
Fort Riley.....	Kansas.....	2,876	3,068	Brick and wood...	Alterations and additions.
Fort Sam Houston.....	Texas.....	1,479	1,655	do.....	Do.
Total (41).....		66,006	60,654		

EMBARKATION AND DEBARKATION HOSPITALS.

Auxiliary Rockefeller Institute.....	New York City.....	55	55	Brick.....	Leased building.
Embarkation hospital, St. Mary's Hospital.....	Hoboken, N. J.....	656	782	do.....	Do.
Embarkation hospital.....	Socacucus, N. J.....	505	385	do.....	Do.
Embarkation hospital, Polyclinic Hospital.....	New York City.....	349	360	do.....	Do.
Debarcation hospital No. 1.....	Ellis Island, N. Y.....	969	1,025	do.....	Addition and alteration.
Debarcation hospital No. 2.....	Fox Hills, Staten Island.....	1,808	1,908	Wood.....	New.
Debarcation hospital No. 3, Greenhut Building.....	New York City.....	3,400	3,500	Brick.....	Alteration; leased building.
Debarcation hospital No. 5, Grand Central Palace.....	do.....	1,943	3,400	do.....	Do.
Debarcation hospital.....	Hampton, Va.....	1,870	1,580	do.....	Alteration.
Total (9).....		11,545	12,865		

Existing post hospitals at beginning of war (132):

Present available bed capacity..... 5,336

Total ultimate bed capacity..... 5,336

RECAPITULATION.

	Number.	Present available bed capacity.	Total ultimate bed capacity.
General hospitals.....	43	31,508	45,810
Base hospitals.....	41	66,006	60,654
Embarkation and debarkation.....	9	11,545	12,865
Existing post hospitals.....	132	5,336	5,336
Total.....	225	114,395	124,665

*United States military posts available for use for hospital purposes.*

Name of post.	Capacity of officers.	Capacity of enlisted men.	Capacity of hospital beds 80 square feet per man.	Remarks on the present condition of posts.	Approximate cost for converting to hospital purposes.
Wm. Henry Harrison.	19	Max. 492	164	Barracks will need considerable repairs, officers' quarters good, scenery and surroundings very good.	\$130,000
Mackenzie.....	35	1,131	377	Excellent condition, buildings all new, surrounding view very good, water system needs repairs.	100,000
Meade.....	34	1,398	466	New buildings, good condition, barracks fair with equipment ready for use.	200,000
Missoula.....	26	632	211	New buildings, excellent condition, plumbing in barracks has not received good care.	100,000
Lincoln.....	11	458	152	Good brick buildings; post not occupied for several years.	100,000
Logan.....	39	1,153	384	This is an old post recently used for a receiving station. The buildings are undergoing extensive repairs.	150,000

NOTE.—The maximum capacity noted for enlisted men is on a 500 cubic foot basis. The capacity computed for hospital beds allows 80 square feet to a bed or 1,000 cubic feet and leaves 33 per cent space for other purposes. In most of the barracks the only changes which will probably be necessary to convert to hospital wards will be to convert one room on first floor into a dressing or operating room and two rooms on second floor into laboratory and bath rooms. Other posts which are very similar and are thought to be excellent for this purpose are: Robinson, Crook, and possibly Columbus Barracks.

Senator HARDWICK. Of course, if you have to pay war prices for everything and if you have figured on that basis, it may be that when you do the work it will not cost so much.

Gen. MARSHALL. It may not, but I am trying to lean over backward in order to be safe.

You also asked about places acquired since the war began. I have been unable to do anything except with respect to camps and cantonments.

Berryville that you spoke of is not under us, so that we have not the data as to that.

Senator FRANCE. Who would have that?

Gen. MARSHALL. I imagine that the Ordnance Department has that. I think that was done under contract between the Ordnance Department and the Atlas Powder Co., the Atlas Powder Co. in turn contracting with the Fred T. Light Co. I think that was the way it was handled. The records would show in the Ordnance Department.

Senator HARDWICK. I noticed the other day in the press that the Secretary of War had rented this big hotel at West Baden for a military hospital?

Gen. MARSHALL. Yes.

Senator HARDWICK. What branch of the service could tell about that?

Gen. MARSHALL. My office.

Senator HARDWICK. Do you know anything about that contract?

Gen. MARSHALL. No, sir; Col. Wright does.

Senator HARDWICK. Can you tell us about that?

Col. WRIGHT. The board appointed by the Secretary of War consisted of Richard E. Schmidt, who represented the construction division; Gen. Robert E. Noble, who represented the Surgeon General's office; and J. Milton Trainer, who represented the real-estate section.

Senator HARDWICK. Mr. Trainer was on that board?

Col. WRIGHT. Yes.

Senator HARDWICK. He is here in Washington?

Col. WRIGHT. I do not know. He is stationed here.

Senator FRANCE. Milton J. Trainer?

Col. WRIGHT. J. Milton Trainer.

Senator BECKHAM. Was not that abandoned for hospital uses?

Col. WRIGHT. No.

Senator BECKHAM. Still used for that?

Col. WRIGHT. Yes.

Senator HARDWICK. It has not been used yet, has it?

Gen. MARSHALL. I do not know whether anything is actually there. Is there?

Col. WRIGHT. Oh, yes.

Senator HARDWICK. How long has it been in use?

Col. WRIGHT. Patients have been there about a month.

Col. SMITH. Two months.

Col. WRIGHT. We started two months ago.

Senator HARDWICK. Patients have been there at least a month?

Col. WRIGHT. Yes.

Senator HARDWICK. Is it full to capacity?

Col. WRIGHT. Yes, sir.

Senator BECKHAM. What is the nature of that contract? Was it a lease or a purchase of the land?

Col. WRIGHT. It was a lease of the buildings, at a contract for construction work to the extent of about \$100,000, I think, to fit it for hospital purposes.

Senator HARDWICK. You do not know how much was paid for it?

Col. WRIGHT. You mean the lease?

Senator HARDWICK. Yes.

Col. WRIGHT. I do not recall. There have been so many that I can not tell.

Senator HARDWICK. From whom would you get that information?

Col. WRIGHT. We have the records in our office.

Senator HARDWICK. Will you furnish us that?

Col. WRIGHT. Yes.

Gen. MARSHALL. I am not sure, yet, Senator, with respect to these cantonments. We took Camp Meigs, out here, because it can easily be seen. If you gentlemen have any desire to see just what we have in mind, we can make detailed plans of it. If you want to take Camp Meigs and take those barracks buildings and put two-story porches on them, with a runway down for getting sick people, so that they can be taken out on a roller stretcher, and connect them with open corridors and make the necessary diet rooms and other provisions around there, and also the necessary accommodations for the caretakers and surgeons, we think that Camp Meigs can be converted into a hospital which will have similar accommodations to a base hospital at approximately \$250 per bed over what exists now.

Senator HARDWICK. What does it cost to build a new hospital per bed?

Gen. MARSHALL. It varies from \$1,350 to \$1,900 on the plans under which we build them; and when I get into that, I have got into a rather long story, because civilian hospitals are not built on the same *plan at all*. We were criticized for the cost of our hospitals, so that

we had to make that analysis. The civilian hospital does not provide quarters for its attendants, except a few orderlies. It does not provide quarters for its doctors; it does not have to supply the public-service utilities. Those are in the street, where they connect—sewer and water systems, and so on—and the street is there. They do not have to be built. The roads at our hospitals have to be built, and water system and electricity, and sewers put in. So the conditions under which our hospitals have to be constructed are different. Those things cost a great deal of money, depending on the locality. The same thing in the city would cost about \$800 a bed.

Senator HARDWICK. Would those same requirements you have mentioned be necessary for hospitals for the Public Health Service?

Gen. MARSHALL. I am not prepared to say.

Senator HARDWICK. I thought you might happen to know.

Gen. MARSHALL. I think that the Public Health Service would require just about the same thing that the Army requires, but I can not judge of that. I would rather have you consult them.

Senator BECKHAM. What capacity of beds have you figured for Camp Meigs?

Gen. MARSHALL. One thousand beds.

Senator BECKHAM. Would they be of a temporary or permanent character?

Gen. MARSHALL. Those buildings are good for 12 to 15 years. They are frame structures.

Senator BECKHAM. How many stories?

Gen. MARSHALL. Two stories. It is our standard 66-man barrack, which is the most standard building in this country to-day.

Senator LENROOT. Why is it necessary to locate a hospital where there is no public utility service?

Gen. MARSHALL. Most of the hospitals have been built in connection with camps and cantonments.

Senator LENROOT. Do they not have this service?

Gen. MARSHALL. Yes; but it is charged up against the hospital, too.

Senator LENROOT. Is that different from building the hospital in the city of Washington?

Gen. MARSHALL. Yes.

Senator LENROOT. What is the difference?

Gen. MARSHALL. The difference is that the city of Washington already has its main sewers and its water lines. For example, take Camp Meade. Our hospital there is perhaps a 2,500-bed hospital. I do not know whether that is accurate or not, but it is in that neighborhood. For that hospital we had to put in a complete pumping plant, filtration plant, and the elevated tanks and reservoirs that go with a city water works.

Senator BECKHAM. You use the service that is at Camp Meade?

Gen. MARSHALL. We do. It is all constructed at this time.

Senator BECKHAM. That should not be charged to the hospitals, then?

Gen. MARSHALL. Only its part.

Senator BECKHAM. But if we are constructing hospitals at cantonments, what is the difference there?

Gen. MARSHALL. At Camp Meigs, where we have those things, we can change those buildings and convert them into a hospital at \$250 a bed.

Senator LENROOT. That figure of \$800 a bed would not apply to any hospitals constructed here for the Public Health Service, because you could locate those hospitals with reference to the service which already exists at cantonments or otherwise.

Gen. MARSHALL. That is a difficult question to answer. In a city under the conditions that city hospitals are built it costs about \$800 a bed.

Senator LENROOT. I understood you to say that the additional cost by reason of being obliged to furnish these public utilities would amount to \$800?

Gen. MARSHALL. Yes.

Senator LENROOT. But if you were to build them either in cities or adjacent to cantonments where you have those facilities, that expense would be eliminated, would it not?

Gen. MARSHALL. Yes. Where you have got to provide both, the expense would be about \$1,600.

That, I believe, answers the questions that the committee instructed me yesterday to get information on.

Senator HARDWICK. There is nothing further, then, that you think of on this general subject matter?

Gen. MARSHALL. No, sir; except I believe Mr. Blossom will be in town to-morrow if the committee by any chance wants to have him appear.

Senator HARDWICK. We do not know how to reach him. If you happen to see him, ask him to come up.

Gen. MARSHALL. And Mr. Morris too.

Senator FRANCE. Your department had charge of the leasing of buildings for hospitals?

Gen. MARSHALL. No, sir. A commission was appointed by the Secretary of War, consisting of one representative from my division, one representative from the Surgeon General's Office, and one representative from the real-estate section. This commission had authority to go and make the lease and then the buildings were turned over to us to do whatever was necessary to convert them to hospital purposes.

Senator FRANCE. Do you know what division had charge of the Green Hut Store property in New York?

Col. WRIGHT. The Surgeon General's Office, together with the real-estate section, I think.

Senator LENROOT. You may have answered this in my absence, but is the construction of new hospitals under contemplation now?

Gen. MARSHALL. All to be done by March 1.

Senator LENROOT. There are none contemplated that are not now under way?

Gen. MARSHALL. There are some under way that will be carried to completion, but none in addition to those that are under way.

Senator BECKHAM. As I understand it, General, the only Army buildings that are available for hospital use or that you have transferred to the Public Health Service, are the six Regular Army posts that you have named and Camp Meigs which you think could be converted.

Gen. MARSHALL. No; I selected these 6 out of 153 I think there are in this country.

Senator BECKHAM. Army posts?

Gen. MARSHALL. Yes. There are others that are similar.

Senator HARDWICK. Why should not we use more?

Gen. MARSHALL. It depends on the distribution and size of the Army, more on the distribution than on the size.

Senator HARDWICK. If the Army should be kept down to a basis, say, of 300,000 men or 400,000 men, something like that, would there be a greater amount of these Army posts that would be available for hospital purposes?

Gen. MARSHALL. I say I think it is going to depend more on the distribution than on the size of the Army. For instance at Camp Funston, and at Camp Lewis, and Camp Pike, the Government owns not only the cantonment buildings, but also everything else, and I believe that the tendency will be to keep the Army if possible in large units rather than in smaller units, so I believe what is to be available will depend more on distribution rather than the strength.

Senator HARDWICK. In other words, if they keep the Army in big units these big cantonments will not be needed for the use of the Army and might be given to the Public Health Service.

Gen. MARSHALL. Yes, sir.

Senator HARDWICK. And that will release practically all of the small posts?

Gen. MARSHALL. A great many of the posts are now converted to hospitals for Army use.

Senator HARDWICK. If that policy were adopted, would the result be that other branches of the Government service could get from the War Department or the Army these buildings for hospital purposes?

Gen. MARSHALL. I am not able to answer that question, except that if a post is abandoned, why that post could be disposed of by Congress as it will.

Senator HARDWICK. What I am trying to get at is this. I probably express myself poorly. If the policy you speak of, of keeping the Army in large units, should be adopted, would that release any more of these smaller posts?

Gen. MARSHALL. Yes, sir.

Senator HARDWICK. That might be used for hospital purposes by another branch of the Government?

Gen. MARSHALL. It might release 153.

Senator HARDWICK. That would afford every great hospital facilities?

Gen. MARSHALL. But it would depend more on the distribution of the Army than on the size of it.

Senator HARDWICK. The reason you selected those six was that they already had been abandoned?

Gen. MARSHALL. They have been abandoned since the outbreak of the war, and whether they would be used after the war would depend entirely upon conditions.

Senator FRANCE. Where is Camp Pike?

Gen. MARSHALL. At Little Rock, Ark. Camp Lewis is at Tacoma.

Senator HARDWICK. Can you tell me the amount of rental they pay for the West Baden Hotel?

Gen. MARSHALL. Col. Wright said he would furnish that for the record.

Senator HARDWICK. General, we are very much obliged to you.

Mr. BENNET. May I ask a few questions?

Senator HARDWICK. Yes.

Mr. BENNET. Gen. Marshall, you stated that until the 30th of August the man that you knew in connection with this contract was Mr. Erskine, and that you had not known Mr. Hines. Mr. George H. Shank was here during the month of August?

Gen. MARSHALL. He signed the original letter that came in dated August 3, I think.

Mr. BENNET. Yes; and Mr. Jacob Newman, a well-known lawyer of Chicago, was here during the month of August?

Gen. MARSHALL. He was here at one time; just when I do not recollect.

Mr. BENNET. And what you really intended to state was that Mr. Edward Hines had not been here personally?

Gen. MARSHALL. Not only not personally, but was not known to us personally to have been connected with it.

Mr. BENNET. His name had not appeared in the proceedings?

Gen. MARSHALL. Yes, sir.

Mr. BENNET. Could you, if the committee asked you, bring the papers containing that rejection of September 28?

Gen. MARSHALL. I do not think I could lay those figures before the committee without the sanction of the Secretary of War. If the committee wants me to get that sanction, just address a letter to the Secretary and he will doubtless direct me to do that; he will doubtless direct me to bring whatever papers you call for.

Mr. BENNET. You have stated the price per bed for hospitals during the war period to be about \$1,950?

Gen. MARSHALL. That is about right.

Mr. BENNET. This Speedway hospital, despite the fact that it was of fireproof construction, which you naturally assume to be the most expensive type, bore a very favorable relation in cost to those figures, did it not?

Gen. MARSHALL. I think it did. I do not know just what it was. I know the Speedway proposition we considered as a good proposition from the beginning.

Mr. BENNET. That is all.

Senator HARDWICK. You do not know personally why it was rejected?

Gen. MARSHALL. No, sir.

Senator HARDWICK. All you know it that you recommended it to the Surgeon General, and it was rejected?

Gen. MARSHALL. Yes, sir.

Senator HARDWICK. The report will show. I thought maybe you knew.

Gen. MARSHALL. The report said "disapproved." That is all.

Col. BANKS. Certain documents, photographs of which were submitted to the committee by Gen. Marshall, are here printed in full in the record, as follows:

OCTOBER 15th, 1918.

Memorandum:

From: Chief of Construction Division.

To: The Assistant Secretary of War, Washington, D. C.

(Attention of Mr. Hare.)

1. In connection with the proposal directed to the Secretary of War and to your attention from the Shank Company, and which was handed to you by the writer this morning, you are advised that it is the opinion of this office

that the amount of this proposal is a reasonable estimate for the actual cost of the work to be done, based upon the requirements as submitted to the Shank Company by this office. It is probable that a contingent fund should be allowed to cover the items that may develop and which can not be foreseen at this time.

2. It is believed that it would be very difficult to purchase property at some location similar to the Speedway Park and to build thereon the hospital accommodations similar to those covered by this proposal for the same amount of money. This is due largely to the fact that so many of the utilities, such as water supply, sewers, drainage, etc., is in place on the property and that there is also on the ground a large quantity of lumber in existing structures, which can be used by the contractor in the construction of the new work.

3. It is further believed that the hospital accommodations covered by this proposal can be more quickly provided at this location than if a similar new site was selected on which there was no existing materials and in connection with which all of the utilities, above mentioned, would have to be built new.

4. This division has considered no other elements of this proposal other than those involved in the actual construction work of building this project, together with its cost.

R. C. MARSHALL, JR.,  
Brigadier General, U. S. A., in Charge of Construction Division.  
By C. C. WRIGHT,  
Lieut. Col., Quartermaster Corps.

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*Contract for construction of hospital between R. C. Marshall, jr., brigadier general, United States Army, and the Shank Company, a corporation of Illinois, for construction of hospital near Chicago, Illinois.*

Date of contract ———. Appropriation and amount ———.

Work to be begun by ———. Work to be completed ———.

Sureties ———. Penalty of bond, \$1,250,000.

These articles of agreement, entered into this ——— day of ———, 1918, by and between the United States of America, by R. C. Marshall, jr., brigadier general, United States Army (hereinafter called contracting officer), by authority of the Secretary of War, party of the first part, and the Shank Company (a corporation organized and doing business under the laws of the State of Illinois), of Chicago, Cook County, Illinois, represented by George H. Shank, its president (hereinafter called owner), party of the second part, witnesseth:

#### CONVEYANCE OF LANDS.

1. The owner does hereby agree, in consideration of the payments hereinafter provided to be made by the United States of America, to convey or cause to be conveyed to the United States of America, upon the execution of this agreement by warranty deed the title in fee simple, free and clear of all liens and encumbrances, in and to the following described lands, tenements, and hereditaments located in the county of Cook, State of Illinois, bounded on the north by Twelfth Street, on the south by Twenty-second Street, on the east by First Avenue, and on the west by Ninth Avenue, described as follows:

The west one-half ( $\frac{1}{2}$ ) of section twenty-three (23) in township thirty-nine (39), north of range twelve (12), east of the third principal meridian, except that part thereof conveyed to the Illinois Central Railroad Company for a right of way by deed recorded in the recorder's office of Cook County, Illinois, as Document No. 974485, said tract of land consisting of three hundred and twenty (320) acres, more or less.

The owner shall furnish to the United States of America an owner's guaranty policy issued by the Chicago Title & Trust Company of Chicago, Illinois, in the sum of three hundred thousand dollars (\$300,000), guaranteeing the unencumbered fee simple title to said real estate, and a complete merchantable abstract of title to said premises.

#### CONSTRUCTION OF BUILDINGS.

2. The owner does hereby further agree to furnish all the labor, materials, tools, machinery, and equipment and to do all things necessary for the construction and completion upon said site of a four-story fireproof hospital



building, a fireproof administration building, a laundry building, a power house, a kitchen, a receiving ward and communicating corridors, in accordance with the plans, drawings, and specifications, which are to meet the general requirements of the Surgeon General of the United States Army and are to be completed in the manner next hereinafter set forth. The construction of said buildings shall be subject in every detail to the supervision, direction, and inspection of the contracting officer, and shall commence upon the day of the date hereof; and in consideration of the premises the owner does hereby agree to complete and deliver over to the contracting officer all of said buildings and structures in accordance with said plans, drawings, and specifications within one hundred (100) days after the date hereof (Sundays and holidays excluded). The contracting officer may from time to time accept and use any portion of the buildings or structures which may in his opinion be completed, but such acceptance and use of portions of said buildings and structures shall not be construed to be a final acceptance of the buildings and structures under this contract. Provided that in the event the taking possession of any portion of the buildings or structures prior to final completion, shall increase the cost of the construction to the owner, the constructing officer will reimburse the owner for such additional cost.

For lack of time said plans and specifications for the construction of the foregoing buildings and structures are not as full and detailed as they ought to be for working plans and specifications; but notwithstanding this fact the contracting officer has directed the owner to begin immediately the work of construction, and in compliance with such direction the owner agrees to begin the work of construction immediately under the terms of this contract, without awaiting the final completion of said plans and specifications, and the contracting officer agrees to employ at his own expense an architect skilled in hospital construction to complete said plans and specifications with all reasonable dispatch and to the satisfaction of the contracting officer. The completion of said plans and specifications by said architect shall not (except as herein otherwise provided) involve or include any material changes and alterations in or additions to the plan or design of said buildings and structures or the kind, quality, character, or cost of the materials which enter into the construction of the same as such plan, design, and materials appear upon said uncompleted plans and specifications which have been delivered to the contracting officer and are now in his possession.

All material entering into the construction of said buildings shall be first class and all work required shall be done in a good and workmanlike manner to the satisfaction of the contracting officer.

#### RIGHT OF OWNER TO REMOVE MATERIALS.

3. It is understood and agreed that in the construction of said buildings the owner shall have the right to use without cost or charge to the Government (except as a part of the contract price) all suitable structures and materials now a part of said premises, but which have been reserved to the grantor in the deed of conveyance conveying said real estate hereinbefore mentioned, except the sewer system, water mains and water system, metal garages, small hospital building, roadways, and outside fence, but the owner shall have the right to use so much or such parts of said seven excepted items as it may find necessary in the construction of said buildings. In so far as may be possible without interference with or obstruction of the use of the hospital plant by the Government, the owner shall remove those portions of said structures and materials so reserved in said deed of conveyance as shall not be used in the construction of said buildings and shall clear the said premises of all débris and waste materials.

#### ADDITIONAL WORK.

4. The contracting officer may from time to time by written instructions or drawings issued to the owner make changes in the said plans, drawings, and specifications or may require additional work hereunder, and the provisions of this contract shall apply to all such changes, modifications, and additions with the same effect as if they were embodied in the original plans, drawings, and specifications, and the owner shall comply with all such instructions and changes; but if such changes, modifications, and additions involve extra labor and material, then the actual cost of such additional labor or material occasioned by such changes together with a sum equal to seven (7%) per cent

thereof shall be added to the contract price and shall be paid by the Government to the owner (except as hereafter in this clause is otherwise provided). In such event the time for the completion of this contract shall be extended to cover any delay in the completion of said buildings occasioned by such changes, modifications, or additions to said plans, drawings, and specifications.

It is the intention of the parties to this contract that the owner shall construct and deliver said buildings and structures, so that the same when so constructed and delivered shall constitute as a whole a practical working hospital; therefore it is agreed that if any changes and modifications in or additions to said plans, drawings, and specifications shall be fairly and reasonably necessary in order to make said hospital in all its parts a substantially practical working hospital, then the same shall be made upon the written order of the contracting officer, and no allowances shall accrue or be paid to the owner under any provision of this clause on account of additional labor or materials occasioned by such last-described changes in or additions to said plans, drawings, and specifications other than the amount of the contract price hereinafter named; but all the usual furnishings, supplies, and equipment required in the hospital and other buildings shall be supplied and installed by the Government.

#### TITLE TO BUILDINGS.

5. The title to all buildings completed or in the course of construction shall be in the United States.

#### DELAYS, ETC.

6. The owner shall not be held responsible for or be deemed to be in default hereunder by reason of delays in the performance of this contract caused by strikes, fires, explosions, riots, transportation delays, acts of God, or other causes beyond the control and without the fault of the owner, including delays caused to the owner by the direct act or failure to act of the contracting officer, and the owner's time for performance of this contract shall be hereby extended to cover the delay in performance so caused to the owner, provided that the owner shall have immediately and fully notified the contracting officer of any such cause of delay and shall have used its best efforts promptly to remove the same and to obviate the effects hereof, and provided further that such delay shall not have been due to the owner's failure to comply with any of the provisions of this contract. The owner shall proceed with the performance of this contract as soon as and to the extent that any such cause of delay shall have been removed. The contracting officer, however, except in the case of delays caused to the owner by the direct act or failure to act of the United States, shall have the right by giving written notice to the owner to terminate in whole or in part the performance of the work which has been so delayed, in which event the United States shall make payments to and protect the owner in such an amount as in the opinion of the contracting officer will equitably reimburse the owner. If the owner be dissatisfied with the allowance made under the provisions of this clause, it may have recourse to the appeal provided for in clause 19 hereof. The contracting officer shall, if such right to terminate said work in whole or in part is exercised by the contracting officer prior to completion, have the right to use any or all of the machinery, tools, equipment, and materials belonging to the owner at the site to complete such work upon payment for such materials and of a reasonable rental for such machinery, tools, and equipment and of all damages to such machinery, tools, and equipment while so used by the contracting officer.

#### LIQUIDATED DAMAGES.

7. Time shall be considered as of the essence of this contract, and in case of failure on the part of the owner to complete his work within the time specified herein it is agreed by the owner that the United States will be damaged by the delay, and the amount of such damages, exclusive of expenses for inspection and superintendence and necessary traveling expenses, being difficult, if not impossible, of definite ascertainment and proof, are hereby agreed upon, liquidated, and fixed in advance in the sum of five hundred dollars for each and every of the first fifteen calendar days (Sundays and holidays excepted) which the said owner shall delay in the completion of this work beyond the time fixed in this contract and in the sum of one thousand dollars (\$1,000) for each and every calendar day (Sundays and holidays excepted) which the said owner

shall delay in the completion of this work on and after the expiration of said fifteen calendar days, which the owner hereby agrees to pay to the United States as liquidated damages and not by way of penalty. In addition to the liquidated damages herein agreed to be paid it is hereby agreed by said owner that all expenses for inspection and superintendence, including all necessary traveling expenses connected therewith during said period of delay, shall be paid to the United States. It is further agreed by said owner that such liquidated damages, expenses for inspection, superintendence, and necessary traveling expenses may be deducted and retained from any payment due, or to become due, to the said owner: *Provided*, That no liquidated damages and no charges for inspection, superintendence, and traveling expenses shall be made where such period of delay shall equal the time lost through any cause for which the contracting officer is responsible either in the beginning or prosecution of the work, to be determined by the contracting officer; but where any delay caused by the said owner is in excess of the time lost through any cause for which the contracting officer is responsible, liquidated damages for such excess time shall be charged against the owner at said respective rates, together with all expenses for inspection, superintendence, and necessary traveling expenses incurred during such excess time.

*Provided further*, That no liquidated damages and no charges for inspection and superintendence shall be made for any delay excusable under the provisions of clause 6 hereof.

*Provided further*, That any extension allowed to the said owner by the contracting officer for the completion of this contract shall not affect the right of the United States to collect liquidated damages and expenses for inspection, superintendence, and necessary traveling expenses for any delay caused by the said owner prior to such extension.

#### COMPLETION AND OPERATION OF HEATING PLANT.

8. The owner shall complete the installation of the heating plant and radiation so that the same will be ready for use at least three weeks before the entire work under this agreement shall be finished, and the Government shall take over said heating plant and said radiation when so completed and at its own expense furnish all necessary fuel and proper maintenance and shall operate said heating plant and radiation so as to deliver sufficient heat throughout the whole system in order that the walls may be more thoroughly dried out to receive the decoration called for by the specifications.

#### INCREASED COST OF LABOR AND MATERIALS.

9. It is understood that the contract price hereof is based upon well-established union scales of wages for labor as of August 26, 1918, and upon the prices for materials which the owner agrees to advise the contracting officer of through the delivery to his representative upon the ground, within fifteen (15) days from the date hereof, of a complete schedule of all materials to be used in the construction of said buildings and structures and the prices at which the same are contracted for, together with such other data as the contracting officer may require in connection therewith at the time, and the delivery of such schedules shall be of the essence of the agreement relating to said materials contained in this clause. Should the owner during the course of the construction of said buildings and structures be required by any increase in such union wage scales or in the market price of such materials to expend more money for the completion of said buildings and structures than that upon which its present contract price is based, then it shall first notify the contracting officer of such fact, and upon twenty-four (24) hours' notice to the owner the contracting officer may from time to time elect to furnish and furnish such materials to the owner, in quantities provided for in the plans and specifications, in which event there shall be deducted by the contracting officer from the contract price hereof a sum equal to the total value of any such material so furnished to the owner based upon the prices set forth in said schedule. In the event the contracting officer does not within twenty-four (24) hours after the receipt of such notice of increased cost of materials elect to furnish, and within a reasonable time furnish the same, then the owner shall proceed to purchase such necessary materials, and the amount of such increase so required to be paid by the owner shall be reimbursed to the owner by the Government in addition to the contract price herein named. All savings made by the owner through the purchase of

materials so required in the construction of said buildings and structures at prices less than those appearing in the schedule shall be credited upon the contract price hereof, and the contracting officer shall deduct from any sums due the owner an amount equal to all such savings. After approval by the contracting officer of increases in wages to laborers, the owner shall be reimbursed in the amount necessarily paid by it on account of increased wages. In case any controversy shall arise hereunder as to the amount of such increase in the cost of labor or of materials, then such amount, if any, shall be determined by the contracting officer. The owner shall not, however, make any departure from the standard rate of wages being paid in that locality without the prior consent of the contracting officer, and shall not attempt to secure labor at the expense of other Government work.

#### PAYMENTS BY GOVERNMENT.

10. In consideration of the foregoing the United States shall, and will, pay to the owner, in five (5) equal installments, the sum of two million five hundred thousand dollars (\$2,500,000), which amount the owner agrees hereby to accept in full payment of the entire purchase price of the above-described real estate and of the cost of construction and completion of the buildings hereinbefore mentioned (except as herein otherwise provided) as follows:

(a) Three hundred thousand (\$300,000) dollars of said amount upon the signing of this agreement and the delivery and acceptance by the Government of a warranty deed, abstract and owner's title guaranty policy conveying and insuring the fee simple title to said above-described real estate. The Government estimated the value of said land at one hundred and ninety-two thousand dollars and the improvements thereon at a sum not less than one hundred and eight thousand dollars, together constituting said sum of three hundred thousand dollars.

(b) One hundred and fifty thousand (\$150,000) dollars of said amount upon completion and acceptance by the contracting officer of the foundations for the main hospital building.

(c) Two hundred thousand (\$200,000) dollars of said amount when masonry walls are up to one story in height and the rough concrete construction for the second floor is completed and accepted by the contracting officer.

(d) Two hundred thousand (\$200,000) dollars of said amount when masonry walls are up two (2) stories in height and the rough concrete construction for the second and third floors, including the necessary roughing in of plumbing, steam heating, and electrical conduit work are completed in accordance with the plans and specifications and accepted by the contracting officer.

(e) Five hundred fifty thousand (\$550,000) dollars of said amount when the buildings are under roof, including the rough concrete construction of all floors, elevator shafts, pent house, and the general roughing in of all plumbing, steam heating, and electrical conduit work in accordance with the plans and specifications and are accepted by the contracting officer.

(f) Five hundred fifty thousand (\$550,000) dollars of said amount when said buildings are plastered in accordance with the plans and specifications and accepted by the contracting officer.

(g) Five hundred fifty thousand (\$550,000) dollars of said amount upon the full completion and acceptance by the contracting officer of all buildings and structures to be constructed and the performance of all covenants and agreements on the part of the owner to be performed hereunder.

#### EIGHT-HOUR LAW.

11. Wages of laborers, operatives, and mechanics doing any part of the work contemplated by this contract in the employ of the owner shall be computed upon the basic day rate of eight (8) hours work, with overtime rates to be paid for at not less than time and one-half for all hours in excess of eight hours.

#### CONVICT LABOR.

12. That in the performance of this contract the owner shall not directly or indirectly employ any person undergoing sentence of imprisonment at hard labor which may have been imposed by a court of any State, Territory, or a municipality having criminal jurisdiction, nor permit of such employment by any person furnishing labor or materials to such owner in fulfillment of this contract.

## MILITARY HOSPITALS.

### CONTRACT NOT ASSIGNABLE.

13. Neither this contract nor any interest therein shall be transferred by the owner to any other party except to the extent permitted by section 3477, United States Revised Statutes.

### SUBCONTRACTS ASSIGNABLE TO GOVERNMENT.

14. The owner shall not enter into any contract or subcontract in contemplation of or in connection with this contract without the prior approval of the contracting officer. Every contract and subcontract made by the owner in contemplation of or in connection with the performances of this contract shall state that it relates to this contract, and shall contain a provision that its unperformed portion may be assigned at any time by the owner to the United States or its nominee, at the request of the contracting officer. In the event the contracting officer shall request the assignment to the Government of any such contract or subcontract, and the owner shall fail or refuse to immediately assign the same, then, and in that event, this clause shall operate as an assignment of all of the unfulfilled interest of the owner in such contract or subcontract, but the Government shall not by such an assignment assume any obligation of the owner under such contract or subcontract other than that portion thereof fairly represented by such unfulfilled portion of the contract or subcontract.

### COVENANT AGAINST CONTINGENT FEES.

15. The owner expressly warrants that it has employed no third person to solicit or obtain this contract in its behalf, or to cause or procure the same to be obtained upon compensation in any way contingent, in whole or in part, upon such procurement; and that it has not paid, or promised or agreed to pay, to any third person, in consideration of such procurement, or in compensation for services in connection therewith, any brokerage, commission, or percentage upon the amount receivable by it hereunder; and that it has not, in estimating the contract price or compensation demanded by it, included any sum by reason of any such brokerage, commission, or percentage; and that all moneys payable to it hereunder are free from obligation to any other person for services rendered, or supposed to have been rendered, in the procurement of this contract. The owner further agrees that any breach of this warranty shall constitute adequate cause for the annulment of this contract by the United States, and that the United States may retain to its own use from any sums due or to become due hereunder an amount equal to any brokerage, commission, or percentage so paid or agreed to be paid.

### BOND.

16. The owner shall, prior to commencing the said work, furnish a bond, with sureties satisfactory to the contracting officer, in the sum of one million two hundred and fifty thousand dollars (\$1,250,000.00), conditioned upon the full and faithful performance of all the terms, conditions, and provisions of this contract, and upon the prompt payment of all bills for labor, materials, or other service furnished to the owner.

### MEMBERS OF CONGRESS NOT TO BENEFIT.

17. No Member of or Delegate to Congress or Resident Commissioner is or shall be admitted to any share or part of this contract, or to any benefit that may arise herefrom, but, under the provisions of section 116 of the act of Congress approved March 4, 1909 (35 Stats., 1109), this stipulation shall not extend or be construed to extend to any contract made with an incorporated company for its general benefit.

### SUBSTITUTION OF MATERIALS.

18. In the performance of this contract the Government agrees to render all assistance possible in the procurement of materials and delivery of the same at the site of the work that it reasonably can; and if the owner is unable to purchase or to procure immediate delivery of any of the materials specified in said plans and specifications and wishes to substitute for such material other material of substantially the same general kind and quality, prompt request

shall be made upon the constructing officer representing the contracting officer upon the premises, for permission to make such substitution, and in the event the constructing officer shall determine that such substitution can be made without detriment to the interest of the Government under this agreement, such substitution shall be allowed. The determination of such constructing officer shall be made within three (3) days after such request.

## SETTLEMENT OF DISPUTES.

19. This contract shall be interpreted as a whole and the intent of the whole instrument, rather than the interpretation of any special clause, shall govern. If any doubts or disputes shall arise as to the meaning or interpretation of anything in this contract, the written decision of the contracting officer shall govern. If, however, the owner shall feel aggrieved by the decision of that officer, it shall have the right to submit the same to the Secretary of War, whose decision shall be final and binding upon both parties hereto.

## CONTRACT BINDING UPON SUCCESSORS.

20. This contract shall bind and insure to the owner and its successors. It is understood and agreed that wherever the words "contracting officer" are used herein, the same shall be construed to include his successor in office, any other person to whom the duties of the contracting officer may be assigned by the Secretary of War, and any duly appointed representative of the contracting officer.

Witness the hands of the parties hereto the day and year first above written, all in triplicate.

## WITNESSES:

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AD. W. ERSKINE.

ARTHUR A. O'BRIEN.

By-----  
Contracting Officer.

SHANK COMPANY,  
By GEORGE H. SHANK,  
Its President.

I hereby certify that I have satisfied myself of the authority of the person signing the contractor's name to this agreement to bind it in the matter, and I have waived the filing of evidence of such authority, as permitted so to do by the Army Regulations.

I do solemnly swear that the foregoing is an exact copy of a contract made by me personally with the contractor named as owner above; that I made the same fairly without any benefit or advantage to myself, or allowing any such benefit or advantage corruptly to the said contractor, or any other person; and that the papers accompanying include all those relating to the said contract as required by the statute in such case made and provided.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 1918.

\_\_\_\_\_  
Notary Public.

I certify that the award of the foregoing contract was made to the lowest responsible bidder for the best and most suitable articles or services, on proposals received. That owing to the peculiar nature of said contract and the special authority of the Secretary of War therefor, no other or competing contractors were notified and considered in connection with said contract.

The work contracted for being an emergency requirement no advertisement for bids was published in newspapers by order of the Secretary of War, General Orders, No. 49, dated April 28, 1917.

Be it remembered that at a meeting of the board of directors of the Shank Company, a corporation of Illinois, duly called and held at its principal office at Chicago, Illinois, on the 18th day of September, 1918, the following resolution was adopted: Be it

*Resolved*, That the action of George H. Shank, president of this company, in executing and delivering that certain contract for the sale and conveyance of those certain lands therein described and for the construction of a hospital upon said lands be, and is hereby, ratified and confirmed; and the said president is hereby authorized to execute, sign, seal, and deliver a bond as required by said contract, in the penal sum of one million two hundred and fifty thousand dollars.

And whereas it appears that during the negotiations leading up to the signing of said contract, at the request of the president of this company, Hugh M. G. Garden, an architect of the firm of Richard E. Schmitt, Garden, and Martin, of Chicago, performed certain services in connection with the preparation of the preliminary plans and specifications: Be it therefore

*Resolved*, That the action of the president in releasing the services of said Hugh M. G. Garden and agreeing that said Hugh M. G. Garden and the firm of Richard E. Schmitt, Garden, and Martin may be retained as architects by the Government be, and the same is hereby, ratified and confirmed.

I, F. H. Foster, the secretary of the Shank Company, do hereby certify that at a meeting, regularly called, of the board of directors of the Shank Company, held in accordance with the by-laws of said corporation, at its principal office at Chicago on the 18th day of September, 1918, the foregoing resolution was unanimously passed, as appears from the records of said corporation.

In witness whereof I have hereunto subscribed my name as secretary and have caused the corporate seal of said corporation to be hereto affixed, this 18th day of September, A. D. 1918.

[SEAL.]

F. H. FOSTER,  
Secretary.

*Minutes of a special meeting of the board of directors of the Shank Company, a corporation of Illinois, duly called and held at its principal office at Chicago, Illinois, at the hour of 10 o'clock a. m., on the day of September, 1918, pursuant to the following waiver of notice of meeting:*

We, the undersigned, being all of the directors of the Shank Company, hereby waive the notice of this special meeting to be held this 18th day of September, 1918, at the hour of 10 o'clock a. m., at the principal office of the company in Chicago, and consent to the transaction of such business as may come before the meeting, and particularly the business of ratifying and confirming the action of George H. Shank, president of this company, in executing and delivering a certain contract for the sale and conveyance of the premises known as the "Speedway" therein described, and for the construction of a hospital thereon for the United States Government, the signing, sealing, and delivery of a bond in the penal sum of one million two hundred and fifty thousand dollars, and matters with relation to architects' services in connection with the construction of said hospital, all of which are fully set forth in the resolutions appearing in the minutes of said meeting, of which this waiver is made a part.

GEORGE H. SHANK,  
F. H. FOSTER.  
CHAS. L. SHANK.

The meeting was called to order by the president, and the following directors found to be present, being all of the directors of the company: G. H. Shank, F. H. Foster, and Charles L. Shank.

Thereupon, on motion duly made, seconded, and unanimously carried, the following resolutions were adopted:

*Resolved*, That the action of George H. Shank, president of this company, in executing and delivering that certain contract for the sale and conveyance of those certain lands therein described and for the construction of a hospital upon said lands be, and is hereby, ratified and confirmed; and the said president is hereby authorized to execute, sign, seal, and deliver a bond as required by said contract in the penal sum of one million two hundred and fifty thousand dollars.

And whereas it appears that, during the negotiations leading up to the signing of said contract, at the request of the president of this company, Hugh

M. G. Garden, an architect, of the firm of Richard E. Schmitt, Garden and Martin, of Chicago, performed certain services in connection with the preparation of the preliminary plans and specifications: Be it therefore

*Resolved*, That the action of the president in releasing the services of said Hugh M. G. Garden, and agreeing that said Hugh M. G. Garden and the firm of Richard E. Schmitt, Garden and Martin may be retained as architects by the Government, be, and the same is hereby, ratified and confirmed.

There being no further business to come before the meeting, same was adjourned.

F. H. FOSTER, *Secretary*.

**TESTIMONY OF LIEUT. COL. CHARLES E. BANKS, CHIEF MEDICAL ADVISER OF THE WAR RISK BUREAU.**

(The witness was sworn by the Chairman.)

Senator HARDWICK. Now, you have not testified here before?

Col. BANKS. Not before this committee.

Senator HARDWICK. Are you familiar or are you acquainted with the terms of this resolution?

Col. BANKS. No, sir.

Senator HARDWICK. Well, I will just ask you to read it, because it has been read into the record.

(A copy of the resolution was handed to the witness.)

Senator HARDWICK. State for the record your position and rank.

Col. BANKS. I am a surgeon in the United States Public Health Service, detailed as chief medical officer of the War Risk Insurance Bureau.

Senator HARDWICK. Chief medical officer?

Col. BANKS. Yes, sir.

Senator HARDWICK. And your rank?

Col. BANKS. Senior surgeon.

Senator HARDWICK. And lieutenant colonel?

Col. BANKS. During the war we are assigned to the military organization.

Senator HARDWICK. You have read the resolution, have you?

Col. BANKS. Yes, sir.

Senator BECKHAM. I think what we want the colonel to tell us about chiefly is in regard to these two measures which he discussed before the Public Health Committee some days ago, in reference to the needs of the War Risk Insurance Bureau in dealing with these discharged soldiers.

Senator HARDWICK. It has been suggested before he does that to ask him in a general way what information he has on the subject of the acquisition and selection of sites, also what additional hospitals are required, and what existing public buildings, if any, are available for use as hospitals, the latter clause.

Col. BANKS. On the general proposition I have only general information, because my special interest is to obtain immediate facilities for the functioning of the War Risk Insurance Bureau in connection with the treatment of discharged soldiers. I have made inquiries, of course, in relation to what is available, and have no general definite information on any particular proposition. A great many have been offered to us in the way of abandoned hotels, and offers for the leasing of hospitals or the buildings which might be converted into hospitals. Surgeon Wilson, of the Public Health Service, made an *inspection of several* at my request and he might



be able to tell you more in detail. The only information that I can give you is in relation to what is wanted by the War Risk Insurance Bureau in connection with hospitals.

Senator HARDWICK. We would like to have that first.

Col. BANKS. I have made a memorandum here to refresh my memory as I go along, as I am not an orator by profession.

My responsibility for this bill, H. R. 13026, is accepted by me as a consequence of the necessities of my work in administering the medical features of the War Risk Insurance Bureau.

This act provides that discharged soldiers and sailors, suffering from disabilities acquired in the line of duty or otherwise shall be furnished governmental hospital and medical services.

Every discharged person suffering from disability is entitled to such hospital, medical, and surgical treatment as his case may require.

Senator HARDWICK. Disability which was acquired in the line of duty or otherwise, that is pretty broad.

Col. BANKS. I said "or otherwise," because the act provides that disabilities acquired outside the line of duty shall not be considered. It does not say so in so many words.

Senator HARDWICK. Are we bound by that? Is that right?

Senator LENROOT. Does "or otherwise" mean prior to discharge?

Col. BANKS. I mean that the act provides that the men inducted into the service shall be considered sound in body and in mind, held to be sound. Consequently, if a man comes in with a disability we have to care for him whether he had it before he was inducted into the service or not.

Senator LENROOT. Suppose the disability occurs after his discharge?

Col. BANKS. We have nothing to do with that.

Senator LENROOT. That is the point.

Col. BANKS. We are obliged to take care of everybody who was drafted into the National Army, if he is disabled.

Senator HARDWICK. Whether it begins after his connection with the Army ends or not?

Col. BANKS. No, sir.

Senator HARDWICK. I do not know about that.

Col. BANKS. I mean it.

Senator HARDWICK. I do not know about that. Is that right?

Col. BANKS. Have you a copy of the act?

Senator HARDWICK. You mean the law at present?

Col. BANKS. The law at present states that every person inducted into the Army or Navy shall be held to be in sound physical condition when so inducted. In other words, if he passes the draft board he is sound.

Senator LENROOT. Suppose he is discharged, and then contracts a disability?

Col. BANKS. We have nothing to do with that. The War Risk Insurance Bureau only cares for men who have a disability for which they were discharged.

Senator HARDWICK. I see. I did not understand.

Col. BANKS. But their physical condition prior to enlistment is of no legal concern to use.

Senator FRANCE. Colonel, on that point I desire to ask a question. You examine men before they are discharged, do you not?

Col. BANKS. They are examined by the Army surgeons.

Senator FRANCE. Well, if they are found upon that examination to be sound, then could they come under your service in any way? They have been pronounced legally sound and discharged as sound?

Col. BANKS. Yes; from a military standpoint, they are.

Senator FRANCE. Then would you assume control of them if they subsequently develop a malady?

Col. BANKS. It would have to be established by competent evidence that this condition obtained while they were in the service and was not reported to the medical officer, but that it existed in a slight way so as not to be observed or interfere with his efficiency, but developed later, after his discharge.

Senator FRANCE. But if you assume that the first examination pronouncing him sound makes him legally sound, you certainly must assume that the examination for the discharge pronouncing him sound makes him sound?

Col. BANKS. Yes, sir; but of course a man has an opportunity of presenting a case and if the evidence—for instance, I had a case to-day in which a man claimed compensation on account of the loss of an eye. There was absolutely no record that we could obtain from The Adjutant General's Office that the man was ever treated for disability of the eye, yet he produced evidence from persons who were witnesses to the accident. Legally that man was entitled to a hearing and a consideration of his case from the standpoint of producing preponderating proof.

Senator BECKHAM. It overcame the presumption of law?

Col. BANKS. Yes.

Senator FRANCE. I bring that up because it is a vitally important matter. Of course we all know of cases of men suffering from rheumatism, for example, which they attributed to the service in the Army which took place 50 years prior to that time, so that it is a very important matter.

Col. BANKS. We only have to do under the law with disabilities reported by the medical authorities of the Army, and for which these men were discharged. We also have this feature, that if a man comes out with a slight disability, for which he does not wish to claim compensation, he can have a certification of his condition to the effect that it may result in disability later on.

Senator FRANCE. Proceed, Colonel, with your statement.

Col. BANKS. There have been discharged from the Army already 24,500 cases of tuberculosis, all of whom are potential claimants for the benefits of the war insurance act.

Senator FRANCE. Now, Colonel, in connection with that statement, were those rejections by the draft board?

Col. BANKS. No; they were discharged after having gone into the Army.

All these men are potential claimants for the benefits of the war-risk insurance act. It is an obligation on the part of the Government to see that they get it. There are, according to information furnished me by the Surgeon General's Office, about 50,000 cases of psychoneuroses—mental and nervous diseases—under observation,

of whom it is stated that about 2,500 are actually insane. There are probably of this number about 5,000 epileptics, either of remote or recent origin due to service conditions in the Army or Navy. All of these are eligible for institutional treatment.

In the matter of tuberculosis alone there are estimated to be about 15,000 available beds in the United States, mostly in private sanatoria, and there is thus a shortage of about 10,000 beds for discharged soldiers, taking no account whatever of the occupancy of the existing supply by the civil population.

Senator BECKHAM. That is only as to those already discharged, too?

Col. BANKS. Yes.

Senator BECKHAM. You have reason to believe that there are still more?

Col. BANKS. I do not know how many more there are under treatment. I think, if I recall it, that there are between 4,000 and 5,000 under treatment now, remaining under treatment; but I do not vouch for that.

Senator BECKHAM. If that is the number already discharged with tuberculosis from the Army what general rough estimate would you make as to how many there are that have not yet been discharged?

Col. BANKS. I have no way of estimating, because the information is in the keeping of the Army, and I only know from personal conversation as to the number under treatment. My recollection is that it is between 4,000 and 5,000 men.

Senator LENROOT. Can you give us any estimate as to what percentage of that 24,000 will call for treatment?

Col. BANKS. Well, I would say, because they are eligible for treatment during their lives after having been discharged, 25 per cent.

Senator LENROOT. 6,000?

Col. BANKS. About 6,000. As a matter of fact, we have the greatest difficulty in finding bed space in sanatoria.

Senator FRANCE. You do not mean to say that all of these men suffering from tuberculosis are not eligible for treatment and should not be treated under an ideal system in a sanatorium?

Col. BANKS. Oh, no; we have no way of compelling them to take treatment.

Senator FRANCE. You believe they all should be under treatment?

Col. BANKS. Under observation and treatment.

Senator LENROOT. The majority of them will not avail themselves of it?

Col. BANKS. I think the majority of them will not avail themselves of it, because it is a peculiar disease, the most peculiar we have to deal with. The psychology of the tubercular man is a curious thing.

Senator LENROOT. Some percentage get their own treatment?

Col. BANKS. Yes; it happens sometimes among the well to do.

In addition to the normal incidence of tuberculosis among discharged men is the larger number who were rejected by the draft boards and which has added to the pressure of private sanatoria for the treatment of tuberculosis cases. Therefore in this single disease the obligation is urgent.

We have been unable to meet this situation by the utilization of *such* Government hospitals as at present exist for the treatment of

civilians. It must be remembered that these discharged soldiers and sailors have resumed their civilian status and are no longer eligible for treatment in military and naval hospitals. I may add, from statements repeatedly made to the Bureau of War Risk Insurance in this connection, that these men no longer wish to be retained at military hospitals or returned to them, as they consider themselves through with the game of war and desire treatment near their own homes.

In other words, the Army gives them a maximum treatment, as they should, but they do not care to be returned to the same place where they came from.

Senator HARDWICK. What do you mean by "maximum treatment"?

Col. BANKS. The most benefit that can be obtained from treatment at the hands of the Medical Department in the Army.

Senator LENROOT. The Army will keep a tubercular soldier as long as he is willing to remain in the service and be treated?

Col. BANKS. I understand that to be the policy.

This same situation obtains in connection with the work. I should insist that disposition be made of them where their friends and families can see them. It is only right that they should. The president of the Neurological Association of America came to see and urge upon me the adoption of that policy, so that discharged insane men should be sent to their own State, where they belong, rather than herded in one great institution.

Senator BECKHAM. How about the ability of the State to take care of its own discharged soldiers who are insane?

Col. BANKS. I do not know that there is any obligation except the moral one. They would then become charity patients. The Government has an obligation which is professed in this war-risk insurance act, and I assume that it wishes to carry it out.

Senator HARDWICK. Probably the relatives of the soldier might adopt either plan, because I think there is no State in the Union where a returned soldier could not get admission to a State institution.

Col. BANKS. As a result of an inquiry, there are very few States which have asylums that are not overcrowded now.

Senator HARDWICK. That is true, I mean, so far as capacity is concerned.

Col. BANKS. The capacity is limited in most of the States, but not only that, the admission into these institutions is confined to residents of that particular State by law. In other words, we could not get a Missouri man into a Georgia hospital.

Senator HARDWICK. No; I was speaking of a man that went back to his own State, and could get admission into the State institution by law, if he wanted—that is, to the limit of capacity.

Col. BANKS. I have reports coming in now, as the result of an inquiry, which shows that something has to be done to make provision for these insane soldiers.

Senator LENROOT. When a discharged soldier comes back to his State, is it not possible that he will not be taken care of by a State institution? We might pay for his care, but certainly in every State provision would have to be made for him.

Senator HARDWICK. Where possible, they ought to be allowed to go to State institutions.

Col. BANKS. That is what we should try to do.

Senator HARDWICK. That will spread out your patients along the line you suggested.

Col. BANKS. But there is also a very large number of men who have no home ties, and who could be sent to a Government institution or institutions for the insane, there being only one now. I am confident that another one will have to be erected very soon.

The only governmental hospitals operated by any branch of the Government, that is civil branch of the Government, are those operated by the United States Public Health Service, of which there are 22 general hospitals, and a number of special hospitals, one of them being for tuberculosis, another for pellagra, and another for leprosy. The total capacity of these hospitals is about 2,000, but they are largely occupied by the several classes of beneficiaries of that service, including active members of the military services in war times, whenever a request is made for their admission, but during the recent epidemic of influenza these have been temporarily closed to us because of occupancy of beneficiaries of this service who were sufferers from influenza.

This bill was introduced by my request and suggestion, after conferences with the Secretary of the Treasury and the Director of the Bureau of War Risk Insurance, to enable the United States Public Health Service not only to enlarge its permanent facilities, but to provide temporarily for the leasing of necessary bed space, to provide for the temporary emergency which is now pressing on the Bureau of War Risk Insurance. The extent of this pressure is in a certain measure problematical as hospitalization is not compulsory on the part of the claimant and it may be refused by him for any reason, so that with a possible 50,000 disabled men, only a quarter of them may accept hospital treatment. These disabilities, however, that reach the Bureau of War Risk Insurance, are of tiresome chronicity, and being always eligible for treatment for their particular disabilities, they are potential patients of the Bureau of War Risk Insurance and must be provided with necessary bed space for the rest of their lives, that is if they ask it and require it.

Senator LENROOT. Can you state there how many applications you have received for hospital treatment?

Col. BANKS. Yes, sir; I think I speak of that later on.

It is highly undesirable that the Bureau of War Risk Insurance develop another medical branch of the Government, because there already exists in the Treasury Department a highly organized medical service over 100 years old, with a trained personnel and necessary plants for the service. The expense of organizing a new medical service would be disproportionate to the results accomplished. It could not be successfully done to secure effective work under two years.

From a financial standpoint it would be more economical for the Government to enlarge the existing hospitals of the Public Health Service than to take over additional hospitals or other buildings abandoned, or otherwise provide for the manning and maintenance of them as separate units. The additional overhead charges on this account would not warrant the experiment as the enlargement

of existing plants could be completed with the minimum of personnel.

In the emergency, private hospitals, and sanatoria have been utilized pending this growing scarcity of bed space, but it should be stated as a general proposition that private and general hospitals do not wish to care for chronic cases, and in many instances place a limit on the time they are allowed to stay under their charge, because the hospital facilities of the United States are very much below that of other countries per capita.

Treatment of War Risk Insurance cases in private hospitals is a very expensive proposition, being more than three times as much as the cost in Government institutions, for the reason that in addition to the cost of maintenance in wards, twice as much as that in the Government institutions, the individual charge of attending physicians and surgeons must be added to the costs. In such case the services of the Government surgeons and physicians are free. These fees, if you could see them, you would understand exactly what I mean.

Senator LENROOT. Can you state what the average is per week?

Col. BANKS. We pay the Public Health Service \$1.25 a day for our patients.

Senator LENROOT. That is just for the hospital charge?

Col. BANKS. For everything.

Senator LENROOT. That includes medical attendance?

Col. BANKS. Everything.

Senator LENROOT. \$1.25 per day?

Col. BANKS. Yes.

Senator LENROOT. Is that in private institutions?

Col. BANKS. No; Government institutions.

Senator LENROOT. In private institutions, what is it?

Col. BANKS. We make the flat rate of \$2.50 a day in a tuberculosis sanatorium.

Senator LENROOT. That includes everything?

Col. BANKS. No; I will not say that it includes everything, because we get extra charges for special services, like X-ray examinations, for pneumothorax operations, and sometimes special blood examinations. There are a great many extras that can always be put in.

The private sanatoria for tuberculosis have only been available in limited numbers, and as the patronage of these establishments is usually by the well-to-do, we are now finding that we are gradually being requested to remove our patients therefrom, as they are difficult to control, and complaints from their regular patients require them to close up their doors to soldiers. Two of the large sanatoriums, one in Colorado, the other in Nevada, have asked us to remove most of these cases. Most of these men are young men, between 20 and 30, and being ambulant cases, they are difficult to control, unmanageable, not amenable to discipline by the ordinary civil authorities.

Senator LENROOT. Colonel, how long is the treatment in a sanatorium necessary for tubercular cases?

Col. BANKS. Six months.

Senator LENROOT. And then they are supposed to leave if they can get out?

Col. BANKS. Yes, sir.

With respect to the use of abandoned military hospitals or the use of other abandoned buildings belonging to the Government constructed for miscellaneous purposes, I would like to say that these temporary structures—I know, because I have seen them—and the entire class of abandoned buildings would not only cost a great deal of money to rebuild into proper hospitals for permanent use, but they are usually parts of a large cantonment, and where cantonments are abandoned these hospitals would be part of a deserted village, all constructed of wood, inflammable, constituting a fire hazard that I do not think anybody would care to assume. They have gone, as I say, the soldiers have been discharged from them, and they do not care to go back to them. That is where they became disabled and received maximum treatment, and to send them back, to try to do so, would result in a great deal of criticism on the part of the soldiers and their friends.

Senator BECKHAM. Colonel, in that instance, you were discussing those temporary buildings that were put up by the Government. You heard Gen. Marshall awhile ago speak of the Army posts. Either now or in the future I would like to hear from you on that proposition.

Col. BANKS. As far as I know, those military posts that he spoke of are well-constructed buildings. Most of them are in the extreme West. I do not know how many there are in the East. Proportionately we ought to have more in the East than in the West on account of the center of population. But I think it is a mistake to think that any building can be made into a hospital simply because it has four walls and a roof. It requires peculiar construction for the effective administration of the hospital.

Senator BECKHAM. To take advantage of those Army posts that he speaks of would require special legislation by Congress, would it not?

Col. BANKS. I suppose if they had been officially abandoned by the War Department, they could be transferred by the Secretary of War to the Secretary of the Treasury, with the approval of the President. I think that was done in the case of Fort Stanton, which is used as a tuberculosis sanatorium in New Mexico by the Public Health Service.

Senator LENROOT. The Overman bill would be sufficient authority, I think.

Col. BANKS. I think that, however, has been a very expensive proposition to make, because it is like most of those Army posts in the West, isolated, and it practically has to be a self-supporting institution in itself. It is miles away from any great center, and we have found that the men that we sent there have complained of the isolation.

I think there are a number of special plants constructed by the Army about to be abandoned which could be utilized, probably some of the better class, like the one at Berryville and the one in Alexandria, La., which formerly belonged to the National Guard of Louisiana, and I understand that is a brick building constructed especially for hospital purposes. I would, of course, exclude that class of buildings in a general rejection.

Senator HARDWICK. Has any survey been made of those buildings to see what the ultimate capacity is?

Col. BANKS. Surg. Wilson has examined two, at my request, one in Toledo and one in Cincinnati, that were nitrate plants.

Senator HARDWICK. Of those that you say you think could be used, has any survey been made?

Col. BANKS. Not to my knowledge.

Senator HARDWICK. Do you not think that before we pass any legislation of that sort we ought to know how many of that sort of buildings we could use? Where could we get that information?

Col. BANKS. Those plants all belong to the Army. I presume they could give you an estimate as to what probably are to be abandoned.

Senator HARDWICK. You mean the Army posts?

Col. BANKS. I mean the plants like the nitrate plants and munitions plant, where they have buildings intended for hospitals.

Senator HARDWICK. Has either your office or the Public Health Bureau ever made any investigation of these buildings?

Col. BANKS. Not of those particular buildings.

Senator HARDWICK. Except the two you mentioned?

Col. BANKS. Except the two I mentioned. We have had a great many offers of abandoned hotels and that sort of thing, but it would require an addition, as I say, of a complete personnel for each new plant, where as the extension of an existing plant can be operated at very much less cost.

Senator HARDWICK. Would a hotel be easily converted into a hospital?

Col. BANKS. Absolutely not.

Senator HARDWICK. I have heard some statement made about it that the Government has leased for the Army this West Baden hotel.

Col. BANKS. Yes; I suppose you are speaking of permanent buildings as a hospital. I suppose you could tear out the interior of a hotel and reconstruct it for hospital purposes, if you wished to save the walls, but the modern requirements of a hospital are very different from those of a hotel.

Senator HARDWICK. Still, as you say, at a comparatively small cost the interior could be changed to make it fit.

Col. BANKS. I would not say comparatively small cost. It would have to be reconstructed. Another disadvantage is the room arrangement, which in hotels is for the accommodation of the greatest number, in small rooms, and most of these large hotels are summer hotels and have no heating plants.

Senator LENROOT. I do not think you stated how many applications the bureau has.

Col. BANKS. There already have been between 14,000 and 15,000 claims for compensation, and they are increasing very rapidly now, owing to demobilization in the Army. We are getting them at the rate of 200 a day.

Senator LENROOT. My question was how many applications for hospital treatment?

Col. BANKS. We have so far about 2,000.

Senator LENROOT. How many are you treating now?

Col. BANKS. About 1,500 under treatment now.

Senator LENROOT. In different places around the country?

Col. BANKS. In different places throughout the country—all over the country.



Senator HARDWICK. Do you know anything about this Speedway hospital project in Chicago?

Col. BANKS. Not a thing. I have heard of it, but I do not know anything about it.

Senator HARDWICK. Is that the character of hospital that would suit your service?

Col. BANKS. I should not want to say without examining into it more in detail.

Senator HARDWICK. You believe in a fireproof hospital, do you not?

Col. BANKS. The disadvantage about a large hospital of that kind is that you would have to take patients away from their homes. It holds 3,500.

Senator HARDWICK. Your main objection is to the size?

Col. BANKS. My main objection is to the size; yes; so far as we are concerned. Our idea is to keep men nearer their own homes.

Senator FRANCE. Col. Banks, would you care to submit, in connection with your observations, a list of the hospitals which you contemplate may be added to under this appropriation?

Col. BANKS. Yes, sir.

Senator FRANCE. And a list of the buildings which you contemplate leasing, if the lease has already been decided on in this appropriation?

Col. BANKS. Yes, sir.

Senator FRANCE. In order that we may have before us in a concrete way your views as to where these additional hospital facilities should be located.

Col. BANKS. Yes, sir.

Senator FRANCE. That has a very important bearing upon this whole question.

Senator LENROOT. Colonel, what is the largest unit of a hospital, in your judgment, that could feasibly be operated for your purposes?

Col. BANKS. I should say that feasibly a hospital where you could not have military control should not provide for more than 250.

Senator LENROOT. Distinction must be made where the hospital treatment is entirely optional with the patient?

Col. BANKS. Yes, sir. These men will be critical of anything which is not first class. We find complaints of the existing sanatoria now. They will not take anything that is thrown up to them in the way of a barracks hospital.

Senator LENROOT. Is it possible, for instance, in the mess, to so provide for 2,000 or 3,000 men in such an attractive way as it is for 200 or 300?

Col. BANKS. No; I do not think so. Of course, it could be done.

Senator HARDWICK. It would be less in your overhead charges.

Col. BANKS. To have them herded together?

Senator HARDWICK. Yes.

Col. BANKS. I do not know that I can answer that. You would have to have a large police force to care for men between 20 and 30, who are able to be about; and if near a large city like Washington they would get furloughs. That is one of the troubles we have.

Senator LENROOT. You are familiar with Walter Reed out here?

Col. BANKS. Yes, sir.

Senator LENROOT. That is a fair average of a military hospital?

Col. BANKS. I believe so.

Senator LENROOT. What percentage do you think of the patients would remain if it was optional with them?

Col. BANKS. I do not know, sir.

Senator LENROOT. There would be a very substantial abandonment, in your opinion, would there not?

Col. BANKS. I do not know. I have no means of knowing.

Senator LENROOT. From the very nature of things that would be true, without any reflection on the conduct of the hospital.

Col. BANKS. As near as I can make it out from what I have talked with men who have been discharged, they are through with the war game. They offered their services, the war is over, and they want to get out.

Senator HARDWICK. Any other questions?

Senator BECKHAM. These two bills that are pending now before the Public Health Committee; I believe you made a statement to that committee some days ago with regard to it?

Col. BANKS. Yes, sir.

Senator BECKHAM. And the whole question seems to be before this committee, too, and we would like to hear from you what you think about the needs of that legislation embodied in the bill which passed the House, and the one which is now pending, and also pending in the Senate, for increasing hospital accommodations.

Col. BANKS. The particular feature which interests me is the authority to lease, because it will give us immediate relief. The other that relates to permanent hospital facilities can not be accomplished within a year or two. So that what appeals to me in that bill is authority to make emergency provisions for such as may be turned over to us, not only for those that are being discharged now, but those who have been discharged in such numbers and are only recently learning of their rights. I consider the emergency a pressing one.

Senator BECKHAM. For those two bills?

Col. BANKS. Yes, sir.

Senator HARDWICK. According to your view of it, then, we could separate the two very well and provide for that emergency and then work out a careful plan for the balance?

Col. BANKS. I suppose that could be done, sir.

Senator HARDWICK. Wouldn't that be the wisest thing to do, Colonel?

Col. BANKS. Why, the wisdom of it from my standpoint is giving me immediate opportunity to provide for what is coming very fast.

Senator HARDWICK. But now, if the Government has the buildings, has the property belonging to various divisions, for this or any other purpose, some of which may be available, and some of which may not, at a varying cost of transformation, it would be better to have an intelligent survey of the whole field and a complete knowledge of the whole subject before attempting to legislate permanently?

Col. BANKS. Yes. Probably for permanent buildings, if there is to be any permanent policy, yes; if there is not, you might as well make it. It has got to come some time.

Senator HARDWICK. Gentlemen, we ought to coordinate all of this hospital proposition and provide for it according to a generally well thought out plan.

Col. BANKS. I think that would be very desirable.

Senator HARDWICK. Then after we have provided for the immediate present needs temporarily, we could get a carefully worked-out plan. In order to get a more carefully worked-out plan, wait on the permanent features, say until next year.

Col. BANKS. It would depend to a certain extent upon what could be done by leasing now.

Senator HARDWICK. That is exactly it. Now, if we could not lease enough, make enough temporary arrangements to provide for the necessities that are pressing so hard for you, and then take the time to go into the subject and work out legislation that would take care of the whole thing in a well ordered manner.

Col. BANKS. That would be the part of wisdom, I think. All my interest is this, between what the gentlemen of the military branch think they can or can not give up and between that and what the Public Health Service wants, I do not want to fall on the ground with my disabled soldiers.

Senator LENROOT. It is suggested, Colonel, that we take care of the temporary needs, and a few months later would you be in a better position to give us information as to what the permanent needs would be, because you have information as to what would fall upon you? You say you have about 1,500 cases under treatment now?

Senator HARDWICK. What percentage of the Army has been demobilized—mustered out?

Col. BANKS. I do not know.

Senator HARDWICK. You can not tell what percentage of them are going to come out and what their condition will be, except as a mere estimate.

Capt. WILSON. We have the number of patients admitted to the hospitals.

Senator HARDWICK. But the balance may be an uncertain estimate?

Capt. WILSON. This bill provides for increasing the hospital facilities for the beneficiaries of the Public Health Service.

Senator HARDWICK. According to the number you estimate will require it.

Capt. WILSON. We can give it showing the rate of increase, and we know that our estimate will only take care of the normal increase of the beneficiaries of the service, even if the War Risk Insurance Bureau is not involved.

Senator HARDWICK. It is possible that your figures are either too high or too low when the actuality comes of taking the place of the Army. We will hear from you on that question later.

Senator LENROOT. My point, Colonel, was that so far as your department is concerned, if the hospital treatment is optional with the discharged men, we would be in a much better condition a few months later to know what you can avail yourselves of under this option.

Col. BANKS. I think about 25 per cent, because many of the disabilities are in an incipient stage, a great many tubercular cases refusing to go into a sanatorium, because they say that they can get treatment at home, in ignorance of the fact that now is the time to go. But we can not say "You have to go."

Senator HARDWICK. The Senator means this: As time passes on and the Army is mustered out more and more, until it is finally mustered out to a peace basis, you can substitute better what actually happens

for what is now more or less opinion of what will happen, can you not?

Col. BANKS. Yes. I am not in a position to give the number of disabilities, the percentage of the total strength of the Army.

Senator HARDWICK. It is a mere matter of opinion.

Col. BANKS. I do not know how many beds have been occupied, and whether those disabilities are of a class which can be discharged in a sound condition.

Senator HARDWICK. What Senator Lenroot has in mind and what I have in mind is this, that there are so many conditions that it would seem to make it the wiser plan to provide for your needs temporarily and then work out carefully permanent plans when you get the facts more accurately, and see how many soldiers are claiming these things. Those are considerations that are very important on that question.

Col. BANKS. I think now that every disabled soldier is making claim for compensation, because the General Staff issued an order directing officers making final examination to help the soldier complete his claim for compensation, and the War Risk Bureau is now being furnished with the necessary information regarding the disabilities.

Senator HARDWICK. Do you know what percentage of the Army has been mustered out up to date?

Col. BANKS. No.

Senator HARDWICK. You have not even an idea in a general way?

Col. BANKS. No; I have not.

Senator HARDWICK. I thought maybe your investigation of this question would give you some information?

Col. BANKS. I have only seen the statement in the newspapers as to the number of those that have been discharged.

Senator FRANCE. Will you furnish us with a statement as to the leases?

Col. BANKS. Of course we only made broad inquiries, because we could not make any different arrangements or offers. We do have in mind where we wish to make these leases.

Senator LENROOT. If we adopt a permanent policy for you now, what kind of permanent hospitals would be erected by the Government?

Col. BANKS. We wish to put a sanatorium somewhere in New England, one in the South, and one in the extreme West.

Senator LENROOT. Would you have in mind Gen. Marshall's statement a little while ago that the erection of a hospital in the vicinity of where there are public utilities means about one-half as much cost to the Government as where it is erected outside where facilities must be furnished?

Col. BANKS. Yes.

Senator LENROOT. And I take it that the policy would be to avail yourselves of the facilities rather than create new ones?

Col. BANKS. Yes. It does not make any special difference, as far as economy goes, where you do erect a sanatorium for tubercular cases. I would not advise erecting one near a large city on account of smoke conditions.

Senator LENROOT. But you would erect it adjacent to public utilities?

Col. BANKS. Yes; I think that would be only sensible.

**TESTIMONY OF CAPT. J. G. WILSON, PASSED ASSISTANT SURGEON,  
PUBLIC HEALTH SERVICE.**

(The witness was sworn by the chairman.)

Senator HARDWICK. What is your official position?

Capt. WILSON. Passed assistant surgeon, Public Health Service.

Senator HARDWICK. You represent the Public Health Service?

Capt. WILSON. Yes, sir.

Senator HARDWICK. You are acquainted with the resolution and its purport and object?

Capt. WILSON. Yes, sir.

Senator HARDWICK. We would be glad to hear what your bureau has to say on the subject.

Capt. WILSON. The letter accompanying that resolution made request for data with regard to available hospitals, in regard to hospitals owned by the Government. Federal hospitals, both before and during the war, and yesterday, in Dr. Stimpson's testimony, he, I think, handed the reporter a list of hospitals, but not entirely complete.

We can divide the hospitals; that is, Federal hospitals, into non-military and military hospitals. The military hospitals are of the Army and Navy, and they can only be operated by the military forces.

I went over the subject of Federal hospitals last year and I believe the following list comprises the Federal hospitals in the United States, these hospitals that are owned by Government agencies.

Senator HARDWICK. If it is not too long, read it.

Capt. WILSON. It is very short. In the first place, there are United States marine hospitals administered by the United States Public Health Service, primarily designed for the treatment of merchant seamen, 22, 23 actually, but 22 in operation, including the sanatorium for tuberculosis at Fort Stanton.

Then there are the hospitals at quarantine stations. There are 18 hospitals in the islands and on the coasts to take care of quarantinable diseases, which can not be used for anything else and must always be ready for emergencies.

Then another division of the Public Health Service, that is, the scientific division, is empowered to investigate diseases of man, and has made investigations of the troublesome trachoma in the mountain region of the Appalachian Mountains, and in studying this disease we started certain hospitals. We had six trachoma hospitals the 1st of July. One has been discontinued.

Senator FRANCE. Have you ever compiled any figures as to the number of beds in these hospitals so that we would have a general idea as to the size?

Capt. WILSON. I can give you the general idea. I will do that at the end of this list.

Then for this investigation of diseases, we had the pellagra hospital, which has a capacity of 176 patients.

The trachoma hospitals have 15 or 20 beds, and in round numbers 13,000 patients were treated in those trachoma hospitals last year. They are not available for any other purpose.

Then, besides that, we have a leprosy hospital authorized by Congress, \$250,000 appropriated, the site not yet chosen.

Senator HARDWICK. In the United States?

Capt. WILSON. In the United States.

Then we are operating in the Hawaiian Islands, at Kalihi, a sort of emergency relief hospital for lepers, passing them on to the leprosy station. They are examined there and kept in bed for a few days. Last year they operated on some 15 or 20 cases, and dressed something over 2,000 surgical cases of leprosy. That hospital, of course, should be used for no other purpose.

Then there are the immigration hospitals, operated by the Labor Department and the Public Health Service at every immigration station. The hospitals are conducted by the Public Health Service. There are four hospital buildings owned by the Department of Labor and administered by the Public Health Service for this specific purpose. One now is taken over by the Army—the Ellis Island Hospital. This would not, presumably, be used for any other purpose should there be immigration. That would be a possibility, if immigration is cut off.

Besides that there are emergency hospitals in times of epidemic. In the case of the influenza epidemic in November the Public Health Service operated hospitals.

The Bureau of Education has five hospitals in Alaska. Those hospitals were primarily for the trachoma studies which the Public Health Service made for the Bureau of Education in Alaska in regard to the prevalence of contagious diseases, and especially trachoma. Those hospitals are in cooperation with our service and the Bureau of Education has been confined all along the line, and those hospitals in Alaska are doing a specific need, mostly located in small schoolhouses, and are emergency hospitals.

Besides the St. Elizabeths Hospital there are 87 hospitals on the Indian reservations, and the hospitals at the soldiers' homes—10 at soldiers' homes—for volunteer soldiers, and 1 national home, at Washington.

Senator HARDWICK. Are we liable to have to keep up this hospital service on Indian reservations? Are they not gradually being divided up?

Capt. WILSON. I can not answer as to the policies. I was informed day before yesterday that every hospital they have is occupied, and that they do not have enough hospital facilities. With the exception of Indian hospitals and the hospitals at soldiers' homes, all the Federal hospitals, so far as I know—I mean the Federal civilian hospitals—are connected up with the Public Health Service, so there is more coordination in the Federal hospitals than is at first apparent. I do not believe that there is quite as much decentralization in Federal hospital plans as may be thought.

Senator HARDWICK. I guess one reason why it appears that there is lack of uniformity and control is that there are so many departments and divisions?

Capt. WILSON. There is absolutely no trouble about the administration of hospitals at the immigration stations. The immigration department pays for the subsistence of patients and pays salaries. There never has been any trouble inherent in the system. There is absolute uniformity in the operation of immigration hospitals, quarantine hospitals, trachoma hospitals, and pellagra hospitals.

Senator LENROOT. Suppose we wished to know the cost of running an immigration hospital. We would have to go to two departments to ascertain it, wouldn't we?

Capt. WILSON. No, sir; I believe not. I think either our department or the Department of Labor could furnish it.

Senator LENROOT. Then there must be a duplication of bookkeeping to a certain extent?

Capt. WILSON. So far as the officers are concerned, the officers of the Public Health Service are on our pay roll. The salary of an officer, for instance, in the immigration hospital at Ellis Island is charged to the appropriation. It is charged against the appropriation to pay officers in the Public Health Service.

Senator LENROOT. If the immigration department pays for the subsistence and there is no account kept of the actual cost, then there is no account kept of the actual cost of running the hospital?

Capt. WILSON. Oh, yes.

Senator LENROOT. Including the salaries of your department?

Capt. WILSON. Yes.

Senator LENROOT. Where would you get it?

Capt. WILSON. Take the contagious-disease hospital at Ellis Island. The way you would get it there would be this: We could give you the cost of the ration. We keep that for the immigration people. We know exactly the number of people, we know the daily census, and we know the cost of subsistence, although we do not buy the stores, they acting as purchasing agent for us. That could be given any day of the month. All supplies are bought in the same way on requisitions from ourselves, the Immigration Bureau practically acting as purchasing agent.

Senator LENROOT. But the actual paying out of the money, for that we would have to go to the Immigration Service to find that out. You would not know that? You would have the cost of the ration, but you would not have the actual entry of the expenditure for that purpose and for the salaries of these people?

Capt. WILSON. Yes; the data would be available.

Senator HARDWICK. And if we came to enlarge one of these hospitals with how many different agencies would we have to deal?

Capt. WILSON. You would have to deal with only one agency in the matter of the trachoma hospital, the pellagra hospital, the leprosy hospital, or any of those hospitals—you would have to deal with the Public Health Service only.

Senator HARDWICK. You mean that we would expend the money through the Public Health Service?

Capt. WILSON. Yes.

Senator HARDWICK. Without either reconstructing or enlarging its bureaus?

Capt. WILSON. Yes.

Senator HARDWICK. That is true, except with the military—the Army and Navy?

Capt. WILSON. That is not true of the immigration hospitals.

Senator LENROOT. Nor of the Indian hospitals?

Capt. WILSON. Nor of the Indian hospitals.

Senator HARDWICK. Nor the Bureau of Education?

Capt. WILSON. No, sir.

Senator HARDWICK. In other words, there are four or five different people you would have to deal with if you started out to enlarge every one.

Capt. WILSON. It is absolutely impossible to concentrate all hospital activities under one head in a country like this unless you are going to have a cut-and-dried affair to take care of everything. You would have to have the gift of prophecy. Unless you let each department handle its own problems, you would never be able to meet emergencies like the trouble the Bureau of Education ran into in Alaska.

Senator HARDWICK. How did you do it?

Capt. WILSON. The situation there was that the school teachers in the Bureau of Education, the Department of the Interior I believe that is under, in Alaska, sent in reports of undue prevalence of contagious diseases and a great deal of blindness—eye trouble—and then a request was made by the Department of the Interior to the Secretary of the Treasury for officers of the Public Health Service to investigate the prevalence of these contagious diseases. This investigation was made, and on their recommendation small hospitals, emergency in character, were established to afford relief to these children, exactly as on this trachoma proposition. A survey was made. As a result of that, by cooperation with local authorities—Senator Beckham knows how it was—hospitals were gradually erected to meet the principal needs. And in that connection, right in Kentucky there, where there is one of those hospitals, there were fewer patients treated last year than in the former year, and that is due to the fact that they are beginning to accomplish their purpose. In other words, the bad cases of trachoma are being cured. There were 5,000 less cases treated last year than the year before.

Senator HARDWICK. So all of these nonmilitary hospitals of the Government are being operated by a single agency?

Capt. WILSON. Yes; the marine hospitals, the quarantine stations, trachoma hospitals, pellagra hospitals, leprosy hospitals, all are operated by the Public Health Service.

Senator HARDWICK. In other words, the Public Health Service operates them all, no matter who owns them?

Capt. WILSON. We own and operate those, and we operate, besides, the hospitals at immigration stations.

Senator HARDWICK. Does any other agency of the public service except the Public Health Service operate a nonmilitary hospital for the Government?

Capt. WILSON. Not to my knowledge, except, well, St. Elizabeth's and the Indian hospitals.

Senator HARDWICK. You, then, do not operate the Indian hospitals?

Capt. WILSON. No; we have nothing to do with the Indian hospitals, except when they get in trouble, as, for instance, at the time of the influenza epidemic we were asked to help them.

Senator HARDWICK. But the management and operation is not by the Public Health Service?

Capt. WILSON. The management and operation and ownership is only of those I mentioned first.

Senator LENROOT. In the case of Indian hospitals, of course, we have a Government physician, who takes care of the hospitals as well as the patients on the reservation, *I take it?*



Capt. WILSON. Yes.

Now, in connection with the testimony of Dr. Banks, in regard to having places filled easily accessible, or using easily accessible institutions, I have or did have a map showing the location of all our marine hospitals and relief stations in the country, and you will see by reference to that that they are geographically located at what might be termed strategic points so far as serving the general population is concerned. Now, the plan, if this appropriation is granted and this bill passes, is to build on accommodations at these marine hospitals, thus doing away with overhead expenses of the management, doing away with all the expense that goes with the sewage and other services, they being already there, and new hospitals will only be built for an emergency that can not be provided in this other way, and when we ask for this \$10,500,000 we are only asking for what we believe we need, and it is only a third of what we may need in the near future, and you will notice that there is a provision in the bill, as amended by the House, which makes it imperative that all possibilities shall be exhausted before any leasing or building is undertaken.

Senator BECKHAM. Has that bill passed the House?

Capt. WILSON. No; I mean as amended in the committee.

Senator HARDWICK. The House did pass a bill providing some large amount, I have forgotten what.

Capt. WILSON. Yes; that was a bill for a sanatorium to be selected by a commission.

Senator HARDWICK. At first the site was to be chosen by the committee.

Capt. WILSON. Dawson Springs, Ky.

Senator HARDWICK. And the House struck out the location and left that to the discretion of a commission. How much was involved in that hospital?

Capt. WILSON. A million and a half in round numbers.

Senator BECKHAM. Tell us something about the purpose of that, captain, the bill that has passed the House and is in the committee of the Senate.

Capt. WILSON. As I understand it that bill had originally in it a provision that certain persons were offering to give to the Government land free, and away back in September the Public Health Service, the Secretary of the Treasury, had set on foot a movement to try to get this legislation that we are now considering before Congress. This bill had been introduced—how this bill appropriating a million and a half was construed I do not know. I know that representatives of the Public Health Service had decided that that place in Kentucky was a very good place for a sanatorium. It created certain opposition in the House, and the bill was amended. But the purpose for which it was introduced still exists, and you could select the site without pinning yourself to a particular place.

The idea is to have one large sanatorium available as soon as possible where operating expenses are also carried with it. You notice this bill simply asks for the erection of buildings, whereas that bill carried with it maintenance, and would allow us to go right ahead to take care of a large number of people at once at one place.

Senator BECKHAM. How soon could that be done, if that bill were passed?

Capt. WILSON. I would rather Mr. Perry, our construction engineer, would answer that.

Mr. PERRY. In regard to Dawson Springs, I might amplify Dr. Wilson's statement that we had to work out a plan for this ten and a half million dollar project. When these gentlemen in Chicago came forward and offered to furnish this land in this bill we had made a selection of sites—one in the South, one in the North, and the bill was put in ahead of the authorization of the Secretary of the Treasury. It simply became a part of our general plan. It was thoroughly worked out in regard to the buildings. We have plans already made that we are using that we call our standard plans for hospital units, which we put together in such units as may best round out any particular project. So the situation is that if any place becomes available for a tuberculosis sanatorium we can turn over the plans in two weeks for the complete outfit. It would simply be necessary to make the survey and determine the engineering features, drainage, water supply, engineering data on which to fit the building. In other words, we have the building all designed to a point below the foundation, and it simply remains to furnish the engineering data.

Senator BECKHAM. How long do you think it would take to make the building available for service?

Mr. PERRY. It depends on the number of men that we wanted to put on it if we want to have it. If we went after it in the fashion that we would naturally do if we wanted to get the earliest possible delivery, regardless of economy and expense, we could put them in commission in three or four months, but if we did not double it up on labor expense it could be done more reasonably.

Senator BECKHAM. Were you among those that examined this Dawson Springs proposition?

Mr. PERRY. Yes; I went down and made an examination of the various tracts of land that were offered, and made a thorough inspection of the entire selection of the country where this particular site was offered. One of the attractive features of the proposition to me was from an engineering point of view, that it carried a vein of coal sufficient to supply all of the hospitals of the United States Public Health Service for years and years to come. That being right adjacent to the property, that made it very attractive in that locality.

Senator BECKHAM. Was that in the donation?

Mr. PERRY. That was included in the amount of land that they said they would turn over.

Senator BECKHAM. Did it take into consideration additional water?

Mr. PERRY. They also included a 6-inch pipe-line connection from the springs, but without regard to that the particular location carried all the water that we would want there for fire protection or domestic purposes through artesian wells, which are very easily produced.

Senator LENROOT. What was the estimated value of the land to be donated?

Mr. PERRY. I never investigated the land. A large portion of it, practically 50 per cent of it, is farming land, which we would need. If we had a sanatorium, we would have to run a dairy, do farm work, and most of the land is adapted for that purpose. Probably 30 per cent of it is in timber, I should say. Roughly, the land would average in value \$15 to \$25 an acre. Some of it would be worth \$200 an acre and some of it only \$3 or \$4.

Senator LENROOT. How many acres?

Mr. PERRY. Five thousand acres that I recommended would be required for this tract.

Senator LENROOT. Was this to be a tuberculosis sanatorium and a general hospital depot?

Mr. PERRY. We have in that territory around the Mississippi and Ohio Rivers a number of marine hospitals already operating, and it was suggested that that would be made a clearing house for these other hospitals for the patients collected up and down these rivers by making them permanent and reducing the number of individual hospitals in that territory.

Senator LENROOT. How many beds are proposed for this project?

Mr. PERRY. We figured about 500 or 600 beds, if I recollect.

Senator LENROOT. Would a million and a half cover the entire cost?

Mr. PERRY. That covered the entire project.

Senator HARDWICK. Captain, anything else?

Capt. WILSON. There is one thing I would like to bring in as showing the need for increased hospital room, entirely apart from the War Risk Bureau's requirements.

The beneficiaries of the Public Health Service are merchant seamen, employees who are injured in the civilian employ of the Government, who are injured in the line of duty; the Coast Guard Service; men employed on the Mississippi River Commission boats; and civilian employees on Army and Navy transports. Now, the war-risk beneficiaries were a negligible quantity before last July. So this increase does not consider them. These are the figures for the fiscal year and they include only patients treated in marine hospitals and released patients. They do not include any of these quarantine stations, trachoma, pellagra, or leprosy cases, or any emergency cases. Treated in this way there were in 1917, 64,033 in hospitals and dispensaries. In 1918 there were 71,806, showing an increase of 7,773 in one year. Now, we have every reason to believe that the increase in the merchant seamen is going to overtax the capacity of our hospitals within a few years.

Senator HARDWICK. There has been a tremendous increase in civilian employees of the Government in every branch during that period. There is reason to believe that there will be some decrease to make up for this other thing?

Capt. WILSON. No; I do not think so, because these employees will want Government treatment.

Senator HARDWICK. But we have had more civil-service employees in Washington than we have ever had in the history of the Government, and we know that probably it is going to be materially decreased, and naturally there is this increased number of civilian employees, which may have changed your figures.

Capt. WILSON. It is possible that the injured Federal employee may become a lessening rather than an increasing factor, but I do not think so. They are beginning to understand their rights. It was an increase before the war started.

Senator HARDWICK. Yes; but we must have in the near future a smaller number in the departments of Washington.

Capt. WILSON. They are not usually the ones who are injured. They are usually men working around drays and trucks, and postal employees.

Senator LENROOT. Does that include shipyard workers in Government plants?

Capt. WILSON. No, sir.

Mr. PERRY. The navy yard was included. At the Boston Navy Yard we sent to the hospital 12 to 20 a day for a long time.

Capt. WILSON. Of patients treated in hospitals alone there was an increase of 3,218 during this fiscal year.

Senator FRANCE. Would you not care for shipyards on the Government pay rolls?

Capt. WILSON. Senator, the Shipping Board has its own hospitals, and an officer of our service is commissioned to duty with the Shipping Board. We have cooperated.

Senator FRANCE. Did you include those hospitals in your general list?

Capt. WILSON. No, sir.

Senator FRANCE. They really should be.

Capt. WILSON. Then, if you want every emergency hospital, I should have to include every one.

Senator BECKHAM. You are giving only the permanent ones?

Capt. WILSON. Yes. Marine hospitals, hospitals at quarantine stations, trachoma hospitals, pellagra hospitals, and leprosy hospitals. We also have 26 venereal hospitals.

Senator FRANCE. Would you kindly add those to your list, because that list is a very valuable list? You have rendered quite a service in getting up that list, and we appreciate it if you will make it complete.

Capt. WILSON. May I express an opinion?

Senator HARDWICK. Yes.

Capt. WILSON. I wish to emphasize the belief that it is impossible to get out a cut-and-dried plan for the administration of hospitals. These venereal hospitals are another illustration in point. That was an emergency. It arose instantly. It was met when it came up. It was done by the cooperation and coordination of already existing agencies. The Public Health Service did not have the money. The Red Cross gave the money, and the Public Health Service gave the personnel—the professional personnel—and attended to the administration of those hospitals, kept the records of expenditures, and so on. From one standpoint it would be a fine thing to go to a certain place and see what it would cost, but from the standpoint of service when it was needed, you would have had the service done before you could get the machinery going.

Senator HARDWICK. Do you not think it would be a good thing if this Government brought together under some one central agency, to at least construct and enlarge hospitals, whether military or not military, the Board of Health or anyone else that brought hospital construction to a science?

Capt. WILSON. For the standardization of the hospital; yes.

Senator HARDWICK. And enlargements like you contemplate?

Capt. WILSON. Yes.

Senator HARDWICK. Ought there to be one central force that does it?

Capt. WILSON. There ought to be some central authority that could speak with some authority as to things, but I do not think there

should be some overhead authority that says what you can have and what you can not.

Senator HARDWICK. There should not be anybody except the Congress of the United States in my opinion. But you could have one system like this and let all these bureaus and departments that need hospital facilities, after Congress has authorized the construction and the expenditure of money, apply to one big central agency to do the work, after the hospitals have been authorized. Why couldn't you do that?

Capt. WILSON. That would be all right if we still had a way to provide for emergency cases, and we would not have to wait a year and a half for each place to be investigated. We could go on investigating for the next 18 months and not get anywhere. There is not a man who comes into the office who does not believe that his is the best site for a sanatorium anywhere.

Senator FRANCE. Of course this difficulty has grown out of the fact that we have such a multiplicity of Government agencies that we are completely lost. We spent several million dollars, more than a billion dollars, to build buildings of all characters and descriptions, some hospitals and some other than hospital buildings, and there is not anyone who can furnish Congress with a list of the buildings which have been built, and here we are called upon to spend ten and a half millions for additional hospital facilities, and not one official of the Government can tell us whether the beds at their disposition amount to 1,000 or 100,000 or 200,000. We have no knowledge at all on that subject except such knowledge as has been gathered up after much labor by some of you gentlemen who are appearing for this appropriation.

Capt. WILSON. I think myself it would be a very fine thing to have a central clearing house for hospital knowledge.

Senator HARDWICK. And we think for construction, too. You see the trouble about it is you come here, and then other departments come, and bureaus and departments come to different committees of Congress, and you have committees working at cross purposes on these projects. It seems to me that is expressed in our resolution.

Senator FRANCE. We are trying to work out a national policy to take care of the sick, and that is why we are interested.

Capt. WILSON. We have the nucleus of it there in that list.

Senator FRANCE. The Public Health Service is the nucleus. That service which we hope to enlarge and perfect as a part of the national policy of which I speak.

Senator HARDWICK. If there are any other tables which you wish to submit in connection with this testimony, will you hand them to the reporter, or statements of any other matters to which we have not directed your attention.

Senator FRANCE. You will put in that list?

Capt. WILSON. The names of these temporary hospitals?

Senator FRANCE. Yes. And will you, so far as possible, indicate the number of beds in connection with each hospital.

Capt. WILSON. Those, you understand, are temporary in character, these venereal disease hospitals.

Senator FRANCE. Temporary or permanent, put them all in.

Capt. WILSON. I believe many of them are buildings formerly devoted to other purposes, and they will go back to the purpose for which they were formerly used when we are through with them.

Senator HARDWICK. The general spoke of the pressing need that he had. Perhaps some of these buildings could be used to meet his temporary needs.

Senator FRANCE. We know that there are a million tubercular cases, perhaps 2,000,000, and we would like to find information as to the facilities we have.

Capt. WILSON. Information as to the number of tubercular cases—persons suffering from tuberculosis—could be obtained from the society for the study and prevention of tuberculosis.

Senator FRANCE. That is one agency, a very good agency.

Capt. WILSON. And the Council of National Defense. Its medical committee of the American Hospital Association, working together in cooperation with some officials, has made a survey that gives you the number of civilian beds available. It is not up to date but it was approximately correct.

Senator HARDWICK. Since you represent the United States Public Health Service you could require the giving of information as to the number of beds available in civilian hospitals.

Senator FRANCE. I think Col. Smith provided us with those. So far as the immediate beds available are concerned, I think we have that. That was in the testimony of Col. Smith before the Public Buildings and Grounds Committee.

Senator HARDWICK. All right.

Capt. WILSON. The hospitals are so full that there are no places for the nurses to sleep. When an emergency comes up we have to put up beds in the hallways.

Senator FRANCE. Of course, the whole system is so irrational that it is hardly conceivable that reasonable men should discharge men from the Army who have tuberculosis and lose them in the population to become foci of infection, and then have to hunt them up and bring them to another set of hospitals entirely, the Public Health Service. The whole thing to my mind is so irrational that it is inconceivable that rational human beings could have permitted such a plan.

Senator HARDWICK. I agree with you about it to some extent, at least. I think there should be some rearrangement about this whole business.

Senator FRANCE. And you yourself, Captain, or if you have not, others have said that so far as military hospitals are concerned they are overbedded, but so far as the civilian hospitals are concerned, we are underbedded. In other words, we have probably 20,000 beds in the Army vacant, whereas you are sleeping attendants in your hospitals in hallways. That illustrates the irrationality of the whole plan, and the irrationality which develops where there is a multiplicity of agencies and lack of central authority.

Capt. WILSON. There would not have been this multiplicity of beds had the war continued.

Senator HARDWICK. But that is here, and the thing we are wondering about, or I am wondering, as a man who does not know anything about it, if we have thousands more beds in one branch of the

service and thousands less in another, why one can not turn them over to the other?

Senator FRANCE. The only explanation is that here you have one service in competition with another—two services in competition with each other, one the military and one the civilian.

Capt. WILSON. Not in competition. These hospitals that are operated by the Army were built for a specific purpose.

Senator HARDWICK. But since we have got more than we need for that service, why can not we take them and give them to another service?

Capt. WILSON. The purpose for which we need them is different.

Senator HARDWICK. They are beds.

Capt. WILSON. Having a bed does not make a hospital.

Senator HARDWICK. You have to have a different kind of hospital?

Capt. WILSON. Certainly, when you are going to have people from civilian life who are suffering from diseases more or less chronic. It is different from being in a hospital under military discipline. There are different surroundings. You might use some of them in an emergency.

Senator FRANCE. You are discharging men from the Army needing rehabilitation treatment, losing sight of them, and the rehabilitation board is writing to us to locate men who are discharged, and in the same way you are discharging tuberculars, and I do not know that your bureau has actually sent out letters of inquiry—perhaps you have been so crowded that you did not care to encourage them?

Capt. WILSON. No, sir.

Senator FRANCE. Following the same plan, you should be sending out letters to Congressmen, asking them if they could locate tuberculars that have been discharged in order to get hold of them and give them treatment.

Senator HARDWICK. We are very much obliged to you.

(The list of temporary hospitals and list of patients submitted by Capt. Wilson is here printed in the record, as follows:)

JANUARY 25, 1919.

In addition to the Federal hospitals already mentioned, there has sprung up since the war a chain of hospitals operated by the Public Health Service for the control of venereal diseases. These hospitals are in connection with clinics situated in towns and cities adjacent to Army camps. There are 24 of these clinics and there are 18 hospitals connected with them. There is inclosed a list showing the location of the clinics and the hospitals, with the total bed capacity. These hospitals are for the most part located in buildings which could not be used for other hospital purposes. In other words, they are highly specialized institutions and in no event could be used for the treatment of other beneficiaries of the Public Health Service or war-risk beneficiaries, because of their intimate connection in almost every instance with the reformatories and penal institutions of the particular localities.

During the calendar year ending December 31, 1918, there were treated in the 25 United States Government clinics operating in the extra-cantonment zones and in 5 clinics conducted by the State and municipal health departments a total of 27,808 cases of disease. Of this number 6,139 were cases of syphilis in the infectious stage, 3,111 were cases of syphilis in the noninfectious stage, 12,210 were cases of gonorrhea, 981 were cases of chancroid, and 5,367 were cases of other diseases.

There were also 226 cases at the time of the last report, December 31, on which the diagnosis was deferred.

*Table showing location of clinics and venereal-diseases hospitals operated by the Public Health Service.*

Extra-cantonment zone.	Location.	Detention hospital or detention home co-operating with clinic.	Operated by U. S. Public Health Service in conjunction with—	Bed capacity.
Bezar.....	San Antonio, Tex. *	Yes.....	City and county authorities	100
Bowie.....	Fort Worth, Tex.....	No.....	.....	.....
Beauregard.....	Alexandria, La.....	Yes.....	State and city authorities.....	32
Dodge.....	Des Moines, Iowa.....	do.....	City hospital.....	112
El Paso.....	Texas.....	do.....	U. S. Public Health Service	70
Greene.....	Charlotte, N. C.....	No.....	.....	.....
Gordon.....	Atlanta, Ga.....	Yes.....	City and county authorities	127
Hancock.....	Augusta, Ga.....	do.....	City authorities.....	20
Jackson.....	Columbia, S. C.....	No.....	.....	.....
J. E. Johnston.....	Jacksonville, Fla.....	do.....	.....	.....
Lee.....	Petersburg, Va.....	Yes.....	City authorities.....	( <sup>1</sup> )
Logan.....	Houston, Tex.....	do.....	do.....	( <sup>1</sup> )
Leavenworth.....	Fort Leavenworth, Kans.....	do.....	State penitentiary and industrial farm.	925
McClellan.....	Anniston, Ala.....	do.....	U. S. Public Health Service	14
Newport News.....	Virginia.....	do.....	do.....	50
Oglethorpe.....	Chattanooga, Tenn.....	do.....	City and county authorities	100
Portsmouth.....	Virginia.....	No.....	.....	.....
Sherman.....	Chillicothe, Ohio.....	Yes.....	Ross County infirmary.....	85
Shelby.....	Hattiesburg, Miss.....	do.....	City authorities.....	40
Sheridan.....	Montgomery, Ala.....	do.....	do.....	60
Sevier.....	Greenville, S. C.....	No.....	.....	.....
Zachary Taylor.....	Louisville, Ky.....	Yes.....	City workhouse and county jail.	200
Wheeler.....	Macon, Ga.....	do.....	City and county authorities	( <sup>1</sup> )
Wadsworth.....	Spartanburg, S. C.....	do.....	City authorities.....	15
				1,950

<sup>1</sup> Not stated.

*Statistics of patients treated in hospitals fiscal years ending June 30, 1917 and 1918.*

In United States:		
1917.....	64,033	
1918.....	71,806	
Increase.....	7,773	
In United States marine hospitals:		
1917.....	11,325	
1918.....	12,797	
Increase.....	1,472	
In contract hospitals:		
1917.....	6,666	
1918.....	7,812	
Increase.....	1,146	
In hospitals:		
1917—11,325 plus 6,666 equals.....	17,991	
1918—12,797 plus 7,812 equals.....	20,609	
Total increase in hospitals patients.....	2,618	

Senator HARDWICK. Is Col. Smith here?

Col. SMITH. Yes.

Senator FRANCE. Have you some additional facts?

Col. SMITH. I came in response to a written communication, and I have now spent four and a half hours here.

Senator HARDWICK. We are very sorry, but we can not hear them all at a time. How long will it take for your statement?

Col. SMITH. It depends entirely on the questions asked.



**TESTIMONY OF COL. WINFORD H. SMITH, SURGEON GENERAL'S OFFICE.**

(The witness was sworn by the chairman.)

Senator HARDWICK. You had a communication from the committee requesting you to give the committee such information as your bureau has with relation to the subject matter of this inquiry?

Col. SMITH. Yes. The communication was similar to the one which Gen. Marshall read, covering four points:

- (1) What Government hospitals we had at the outbreak of the war.
- (2) What hospitals have been built since war was declared.
- (3) What are the plans of the Surgeon General's Department for the construction of hospitals in the near future.

He has already covered that by stating that with the exception of the completion of certain projects now under way, we do not contemplate going into the question further to meet this emergency.

- (4) Estimates as to probable cost of transforming Government buildings, which will soon be abandoned by the Army in various parts of the country, into hospitals for the use of our returned troops.

We do not contemplate going into that further, as we now have, we feel, a sufficient number of beds available to take care of the needs of the Army, so far as relates to returning soldiers.

Senator HARDWICK. Could a survey be made of that question, with a view to determining the buildings of that character that the War Department has that might be used for this War Risk Bureau, or for the Public Health Service of the United States, or these other nonmilitary hospital agencies?

Col. SMITH. Mr. Chairman, that question has been asked by other committees before which I have appeared, and I should reply to that, as previously, that we have already undertaken to abandon two of the camp hospitals—Johnston and MacArthur—and the Public Health Service has been notified of those two proposed abandonments.

Senator HARDWICK. So, where you do abandon, you propose to co-operate with those people as much as you can?

Col. SMITH. Entirely. Now, we feel that we probably have not only a sufficient number of beds, but probably more beds than we will actually require.

Senator HARDWICK. For the Army itself?

Col. SMITH. For the Army. We were planning for a continuation of the war, and when the armistice was signed, and the plans for the demobilization of the Army were announced, and that policy settled, we at once had made available for us for over-seas sick and wounded all of the hospitals in our National Army and National Guard camps, so that we abandoned a number of projects that were under contemplation and in process of completion in leased buildings and buildings of that character, and confined ourselves to the completion of the projects within the hospitals already under operation.

We had, on January 18, as reported from the daily reports which we received from our hospitals—and I would like to make this point, that so far as the Army is concerned it can tell any day the total number of beds available, the total number of beds occupied, and the total number of beds vacant.

Senator HARDWICK. You can give that information almost instantly?

Col. SMITH. Any day. We have to have that, because we have to be sure that we have got beds available for the returned sick and wounded from overseas, no matter what the disease or injury may be, and that information can be furnished almost at a moment's notice.

On January 18 the last weekly report showed 109,162 beds in the military hospitals.

Senator HARDWICK. In this country and abroad?

Col. SMITH. In this country only; 63,189 of those were occupied and 45,973 vacant. Now, that list of hospitals, which I will furnish you for the record, is the list of larger hospitals, in which we are caring for the large number of sick and wounded from overseas. There are about 132 small post hospitals, ranging in capacity from 10 to 50 or 75 or 100 beds.

Senator HARDWICK. Pretty well scattered throughout the country?

Col. SMITH. Pretty well scattered throughout the country.

Senator HARDWICK. Why wouldn't they serve the purposes of the War Risk Insurance Bureau?

Col. SMITH. Those are Army posts. It would depend entirely on the military plans.

Senator LENROOT. What is the average number of beds in the small posts?

Col. SMITH. Between 25 and 50 beds. We have advised the Public Health Service that while it is true that we now have probably more beds than we will be called upon to use, until the next two or three months have elapsed, and we know that we are not going to be faced with another epidemic or something like that, overtaking our capacity beyond anything which is provided, we can not feel safe in turning over any considerable number of these hospitals to them at this time.

We do not know exactly the number of sick and wounded for whom we must prepare, to be returned from the other side.

To illustrate that point, a little less than two months ago there were in hospitals in France and England, American hospitals, approximately 194,000 sick and wounded soldiers. The last week's report, received within the last few days, shows 164,000 beds in hospitals, showing a shrinkage in the occupied beds in France and England of approximately 90,000.

Senator HARDWICK. In that short period of time?

Col. SMITH. In that short period of time. Of that number, only approximately 35,000 have been returned to the United States, and that would indicate a shrinkage or a discharge from hospital, requiring no further hospital treatment, of approximately 55,000. We can understand that when we review the experience of the war, and our allies, that about 80 per cent of the casualties are of a minor nature, requiring the soldier to spend only a brief period in the hospital, after which he is returnable to duty. So that we still have 104,000 in hospitals in France and England. How many of those there are that will require treatment on arrival on this side we can not tell exactly.

We do know this, that we received 23,000 sick and wounded and distributed them in the hospitals of the interior of this country

during the month of December. A cable was received during the first week of January to the effect that at the present rate of evacuation the battle casualties will have been returned to the United States within three months, which would lead us to the deduction that we might expect somewhere between 60,000 and 75,000 additional in the months of January, February, and March. It probably will be somewhat less than that, because by the time the third month has arrived many in hospitals will probably have recovered and be returned to duty. So that you see the problem with us is how many we must still provide for, and while we have 40,000 beds available, and while we do believe that that probably is more than we will require for the next two or three months, we must play safe in order to be sure that we have accommodations for the sick and wounded. At the end of three months, I believe, we shall begin to give up some of these hospitals.

Senator LENROOT. What has been the average number of men on this side in hospitals. Of course, you are constantly discharging men, and now that we are demobilizing that is decreasing?

Col. SMITH. Yes. We figure in our camps, Senator, on a four and a half sickness rate; that is,  $4\frac{1}{2}$  per cent of the troops in the camps at any one time.

Senator LENROOT. It is decreasing now in numbers?

Col. SMITH. Yes.

There have been seven camps cited for abandonment. Two of those I have mentioned—Johnson and MacArthur. We have agreed to abandon those hospitals with the abandonment of the camps. The other five we feel that we must hold for a time; probably two or three months. At the end of that time I am quite sure that we shall probably not only abandon those five, but other hospitals. It is a period of two or three months in which we will be undergoing a change. After that I think we can release a considerable number of those hospitals.

Now, those which would be released first would probably be those which are least desirable of the camp hospitals, and in locations where there were a number of camps in a given State, so that we would still maintain a fairly wide geographical distribution.

Senator HARDWICK. Like Georgia, with half a dozen, you would release several there?

Col. SMITH. Yes. Then, too, certain buildings which have been leased for hospital purposes, like hotels. Those would be abandoned for two reasons: Some of them are acceptable for an emergency but are not desirable to have for an indefinite period, and for the additional reason that we could concentrate in Government hospitals and save money.

Senator HARDWICK. What about the West Baden proposition?

Col. SMITH. That is one of the best we have.

Senator HARDWICK. Were you on that commission?

Col. SMITH. No, sir.

Senator HARDWICK. Do you know what is paid in the way of rental?

Col. SMITH. Something like \$10,000 a month.

Senator HARDWICK. Why do you need that if we have so many?

Col. SMITH. It is a very desirable hospital. It is in operation, and *it is located in a district where we want those beds—West Baden, Ind.*

That is one of the best hotel properties that we have for hospital purposes.

Senator LENROOT. How long a lease have you?

Col. SMITH. The regular Government lease, with the privilege of renewal for one year after the war.

Senator HARDWICK. We are committed to a year's lease?

Col. SMITH. They all have an abandonment clause of 30 days.

Senator LENROOT. So we could cancel on paying 30 days' rent?

Col. SMITH. Yes.

Senator HARDWICK. We pay about \$10,000 a month?

Col. SMITH. Yes, sir.

Senator BECKHAM. Was there any other expenditure on the part of the Government in order to acquire the use of West Baden?

Col. SMITH. Nearly all of these hotel properties require some alterations in order to make them suitable for hospital purposes. You have to provide utilities, plumbing, etc.

Senator HARDWICK. I am under the impression that Gen. Marshall said it cost about \$100,000.

Col. SMITH. These hotel properties have cost us on an average of probably in the neighborhood \$200 a bed.

Senator HARDWICK. I think that Gen. Marshall said that, beside the rental, that this West Baden project cost about \$100,000 to convert it into a hospital.

Senator LENROOT. That was the only expenditure, the conversion?

Col. SMITH. Yes.

When the hospitalization program was in its infancy consideration was given to the matter of construction and leasing. It was found at that time that for the period of the war it would undoubtedly be much more economical to lease and convert these hotel buildings than it would be to attempt to build. To build would cost on an average of \$1,300 to \$1,500, and to lease these properties it would cost in the neighborhood of \$200. That states the situation with regard to the beds available.

Senator HARDWICK. It is a very clear statement, too, Colonel.

Col. SMITH. There are one or two things that I would like to mention with regard to questions which have been raised during the hearing.

Senator HARDWICK. Yes; we shall be glad to hear you.

Col. SMITH. One was with regard to the designation of the Speedway Hospital in Chicago, on our hospital report as General Hospital No. 32. I would like to explain that. We have a mimeograph list of hospitals in operation, which we prepare every so often. At a certain time—the date is unimportant—we had a request from the War Department for approval of the Speedway project. Following that up, we asked The Adjutant General—anticipating the approval of the project—we asked The Adjutant General to designate a number of hospitals by number as general hospitals, and the Speedway was one of them. It was designated as General Hospital No. 32.

Senator HARDWICK. Because you all confidently believed that it would be approved?

Col. SMITH. But the designation by The Adjutant General does not mean in any way that it was approved as a hospital project. That is purely and simply the designation of a type of hospital and

giving it a number. We then had a number of mimeograph copies on hand from which we make our weekly reports, and for a period of about four weeks, until that supply was exhausted, that did appear in the list as General Hospital No. 32, but with no beds opposite showing that it was in operation. That had no significance other than I explained to you. Expecting that the Speedway would be an approved project, we asked for a number to be assigned to it.

Senator HARDWICK. That merely expressed the confident belief of the Surgeon General's Office that that would at an early date be a general hospital?

Col. SMITH. Yes; but the designation did not in any way commit the War Department to any policy.

There is one other point that I wish to touch upon.

Senator HARDWICK. But, Colonel, the Surgeon General's Office and these other divisions that dealt with this question thought that this hospital undoubtedly would be approved?

Col. SMITH. Well, we oftentimes put in a request to designate a hospital as a general hospital long before we had any indication as to whether it would be approved or not, because we wanted to know the type of hospital which we were to operate as soon as it was made available to us. If it is a general hospital, it is under the control of the Surgeon General, but if it is a post hospital the machinery is quite different.

The other point to which I referred, and concerning which I wish to make a statement, is this: Reference was made by Mr. Bennet yesterday to a communication from Lieut. Col. John A. Hornsby, addressed to the Secretary of War, condemning the Speedway project as undesirable.

Senator HARDWICK. He said the land was marshy or swampy.

Col. SMITH. Lieut. Col. Hornsby was referred to as a representative of the Surgeon General's Office. In order that the Surgeon General's Office may not appear to be vacillating between various policies, I wish to say that in submitting that statement to the Secretary of War Lieut. Col. Hornsby acted entirely as an individual, on his own responsibility, without the approval of the Surgeon General or the knowledge of any of his superior officers.

Senator HARDWICK. He is connected with that department?

Col. SMITH. He was at that time.

Senator HARDWICK. But he did not act for that bureau?

Col. SMITH. He did not act for the Surgeon General's Office. I wish that particularly brought out, because at that time we had a request before the War Department for the Speedway project.

Senator LENROOT. When was this communication brought to your attention—this communication from Col. Hornsby?

Col. SMITH. I can not give you the exact date. I should say possibly, from memory, a month or six weeks ago. I was told unofficially that such a communication had been submitted. It was, from my point of view, a matter of so little importance that I did not care to look into it further.

Senator HARDWICK. Since you have mentioned this Speedway Hospital, was this Speedway Hospital rejected because of the armistice coming on and lessening the need of hospital facilities, or did the rejection occur before the armistice was signed?

Col. SMITH. On August 14 a memorandum was addressed to the Chief of Staff, signed by Gen. Noble, who was then the Chief of the Hospital Division, asking for approval of the Speedway project.

Senator HARDWICK. August 14?

Col. SMITH. August 14.

On August 31 a memorandum was sent to the Chief of Staff on the same subject by Gen. Noble requesting authority for construction.

On September 9, according to our records, a letter from the Chief of the Construction Division to the Director of Operations, through the Surgeon General's Office, outlines the offer to build a 2,500-bed hospital in Chicago at Speedway Park and requests authority to enter into an agreement for the construction at an expenditure of \$3,410,300. The first indorsement by Gen. Noble, under date of September 18, which I think is the same date referred to by Gen. Marshall, recommended approval.

On September 27 the Director of Operations, in a memorandum to the Surgeon General, by Col. R. G. Willie, of the General Staff, disapproves.

Senator HARDWICK. What is the Director of Operations?

Col. SMITH. Director of Operations of the Division of Operations of the General Staff.

It was disapproved with this notation: "The project for building a permanent hospital at Speedway Park at a cost of \$1,410 per bed is disapproved." That was on September 27.

Senator HARDWICK. Was that after the Secretary had disapproved it?

Col. SMITH. That was merely to notify us of the Secretary's action.

Senator HARDWICK. That was in September, and it had probably been disapproved a few days before.

Col. SMITH. So that was before the signing of the armistice.

Senator HARDWICK. The armistice was signed November 11.

Senator BECKHAM. The letter from Col. Hornsby was after that.

Col. SMITH. At that time, if my recollection is correct, the Secretary of War was in France, and that disapproval referred to was by the acting Secretary of War, and Col. Hornsby's memorandum to the Secretary of War was subsequent to this date, after the return of the Secretary of War to this country.

Senator HARDWICK. Was your office ever given any reason why this was disapproved?

Col. SMITH. No, sir.

Senator HARDWICK. They did not give you that information?

Col. SMITH. We were given a reason, or we were given an alternative allowance of beds in that we were notified that it had been decided by the War Department that in lieu of this to increase the bed allowance at Fort Sheridan.

Senator HARDWICK. Now, did they say what their purpose was in having this hospital tract at Fort Sheridan instead?

Col. SMITH. No, sir.

Senator HARDWICK. Do you know why?

Col. SMITH. No, sir.

Senator HARDWICK. Who would know that?

Col. SMITH. I know of no one except possibly the Secretary of War or his assistant.

Senator HARDWICK. The first disapproval then, came—and the only one so far as you know—from the Assistant Secretary of War, Mr. Kroll?

Col. SMITH. That is my understanding.

Senator BECKHAM. When did Col. Hornsby sever his connection with the Surgeon General's Office, Colonel?

Col. SMITH. About three weeks or a month ago. He desired to return to civil life, and his services could be dispensed with, and he was allowed to resign.

Senator LENROOT. Could you tell us the cost per bed of the additional facilities at Fort Sheridan?

Col. WRIGHT. About \$700 per bed.

Senator HARDWICK. Mr. Bennet, do you want to ask the witness any questions on behalf of your client?

Mr. BENNET. Col. Smith, I want first to correct you. Senator Beckham asked:

Do you know the complaint that was made to the Secretary of War about the character of this land, whether it was suitable or not for hospitals?

Mr. BENNET. Yes, sir; on the 3d of October Mr. Hines had a second interview with the Secretary of War. Col. John A. Hornsby, at that time connected with the Surgeon General's Office, made a statement in writing to the Secretary that the site of the proposed Speedway Hospital was marshy or swampy.

Col. SMITH. Mr. Chairman, I merely wanted to be quite sure that you understood if an officer connected with the Surgeon General's office made such a statement it did not represent the Surgeon General's opinion.

Mr. BENNET. But as far as my statement went, it was correct.

After this rejection of September 27, the Speedway proposition was reopened and the plan was presented to the Shank Construction Co. for some 27 additional temporary buildings, was it not?

Col. SMITH. Well, I could not say as to the number. I think it is quite correct that the proposition was reopened, at least, with the Surgeon General's office. We did not give up hope that we would get the Speedway Hospital.

Mr. BENNET. On the 27th you still had hopes of getting it.

I just show you this memorandum. It may refresh your recollection as to the suggestion made. [Mr. Bennet showed the witness a paper.]

Col. SMITH. I have never seen that. At that time I was not in charge of the hospital division.

Mr. BENNET. Oh, I see. Who was in charge?

Col. SMITH. Gen. Noble, who is now in France.

Mr. BENNET. You are aware, however, that subsequently to October 1 the project was taken up again, and the proposition for additional buildings was made to the Shank Co. and they made a bid covering all the additional buildings?

Col. SMITH. Yes; I think I am aware of that fact.

Mr. BENNET. And if I state to you that that bid was submitted on the 12th of October, known as the consolidated bid, covering all the buildings, for \$3,250,475, would that agree with such recollection as you have in relation to the matter?

Col. SMITH. That would agree with the recollection I have.

Mr. BENNET. You also knew subsequent to the 1st of October that Mr. Edward Hines had made a proposition to take back the hospi-

tals at any time within eight years and to pay 40 per cent of the cost as a salvage proposition?

Col. SMITH. I heard of it; yes.

Mr. BENNET. That, of course, would materially reduce the cost per bed?

Col. SMITH. Yes.

Mr. BENNET. And it is my recollection that it reduced the cost of beds down to—well, it is stated here by Mr. Kroll, under date of November 27, that that would reduce the cost of beds to \$782.90 per bed. Would that be in substantial accord with an off-hand judgment on your part?

Col. SMITH. That substantially accords with the impression I had obtained in listening to the various discussions of the Speedway project.

Mr. BENNET. Before you entered the Army service you were connected with Johns Hopkins, were you not?

Col. SMITH. I am still so connected.

Mr. BENNET. And if your modesty will permit, might I ask you if you did not have a rather high standing in the medical world, and still have?

Col. SMITH. I should be obliged to decline to answer.

Mr. BENNET. At least, that has been the evidence of others at other times, has it not?

Col. SMITH. One's friends are oftentimes very generous.

Mr. BENNET. I think you will have to count me as one for this particular purpose. These plans for this 2,000-bed building, were they not drawn up and approved by the Surgeon General's Office?

Col. SMITH. My understanding is that they were drawn in conjunction with the planning division of the Surgeon General's Office, under the approval of the Surgeon General.

Mr. BENNET. Were they or were they not regarded as being up to date and modern as any of the hospital buildings in the world?

Col. SMITH. I am afraid you are overstepping a little, Mr. Bennet. What opinion was held concerning the plans by those who were concerned at that time I can not say. I assume that they approved them as desirable hospital plans. My personal recollection, if that is what you wish, is that they are entirely suitable, good plans, but far from being the ideal plans as compared with the best hospital plans in the world.

Mr. BENNET. But your professional recollection is that they were entirely suitable.

Col. SMITH. Yes; that they were entirely suitable, indeed, well adapted.

Mr. BENNET. This is what is known as a fireproof hospital, is it not?

Col. SMITH. So I understand.

Mr. BENNET. There is practically no wood in the construction?

Col. SMITH. So I have heard.

Mr. BENNET. And in addition to the factor of fire safety, which of course we all recognize, is there a certain reaction on the patient through the sense of safety of being in a fireproof hospital?

Col. SMITH. It is possible.



Mr. BENNET. All of those things enter into reaction, do they not, in a more or less degree?

Col. SMITH. They might.

Mr. BENNET. In other words, you think a fireproof hospital is better and safer?

Col. SMITH. On general principles; yes.

Mr. BENNET. Could you give us the names of the medical officers who, in July, August, and September, gave this matter their personal attention in the Surgeon General's Office?

Col. SMITH. Yes; Gen. Robert E. Noble, Lieut. Col. Floyd Kramer, I think, Lieut. Col. John A. Hornsby—I am not sure as to that, I think he did not. And then various Sanitary Corps officers of the hospital division, architects and engineers, of whom I think the most important for your purpose is Maj. Vorhees.

Mr. BENNET. Are any of these officers in this country and available?

Col. SMITH. Yes; Col. Kramer is off on a trip now, but will be back, I assume, the first week of February.

Maj. Vorhees is now in New York doing some work there in connection with hospitals at the port of embarkation.

Mr. BENNET. Gen. Noble, of course, is in France.

Col. SMITH. Gen. Noble is in France.

Mr. BENNET. And so far as the action of your department went it has approved the Speedway Hospital as well located and well adapted for the purpose for which it was planned?

Col. SMITH. The Speedway Hospital was, I am constrained to say, in my opinion, first requested by the Surgeon General's Office of the War Department, and was desired by the Surgeon General's Office until a time had elapsed after the signing of the armistice, when the beds were not required.

Mr. BENNET. That, however, would be a matter of administrative policy rather than for the surgical or medical department. As far as the medical and surgical departments are concerned, the request for this hospital originated with the Surgeon General's Department?

Col. SMITH. It did.

Mr. BENNET. And was recommended by them?

Col. SMITH. It was.

Mr. BENNET. And as late as the 1st of October the Surgeon General's Department was hoping that the project would go through?

Col. SMITH. Yes.

Mr. BENNET. Now, did you write a letter, of which this is a copy, to Representative Sabath? [The witness was shown a letter.]

Col. SMITH. I think I did.

Mr. BENNET. Were the buildings at Fort Sheridan—the hospital buildings at Fort Sheridan—on December 19, 1918, being constructed in accordance with the plans of the Surgeon General's Office in order to secure a reasonable degree of safety against fire?

Col. SMITH. I could not be sure as to the date. My understanding is that certain of those buildings which were originally planned to be finished in stucco on account of the advent of cold weather had to be changed to another type of construction. Otherwise, so far as my information goes, they were in accordance with the plans of the Surgeon General's Office.

Mr. BENNET. Does this statement adequately reflect your views?

Your attention is invited to the fact that the plans submitted by the Surgeon General to the construction division of the War Department called for buildings different in type from those now being erected, in that they were to be of stucco finish—which would have rendered them sufficiently fireproof—to make them reasonably safe for the housing of a class of patients which would be placed in these buildings, namely, convalescents.

Col. SMITH. I should like to know just what the nature of Congressman Sabbath's inquiry was to which I replied. I can see that this last paragraph might convey a wrong impression. It might convey the impression—I take it that is what you wish me to answer—that in my opinion the buildings now being constructed were not reasonably fireproof. But that was not the impression that I wished to give.

Mr. BENNET. This letter was written concerning the buildings at Fort Sheridan?

Col. SMITH. Yes; just what it says there. I presume.

Mr. BENNET (reading):

Your attention is invited to the fact that the plans submitted by the Surgeon General to the construction division of the War Department called for buildings different in type from those now being erected, in that they were to be of stucco finish—which would have rendered them sufficiently fireproof—to make them reasonably safe for the housing of a class of patients which would be placed in these buildings, namely, convalescent.

Col. SMITH. In order to interpret that, Mr. Bennet, accurately, it would have to be brought out exactly what the inquiry was. I think that is poorly expressed, although I wrote it. I do not wish it to be understood that I do not think the buildings now being constructed are reasonably fireproof for the purposes for which they are to be used. I do think the stucco finish would have made them more so.

Mr. BENNET. It was your idea, and the idea of the Surgeon General, on the 19th of December, that in order to make them reasonably safe for the housing of patients that would be placed in these buildings, that they should be finished in stucco?

Col. SMITH. It was desirable.

Mr. BENNET. And that stucco finish was not put on?

Col. SMITH. I understand not. Not on certain buildings on account of the advent of cold weather.

Mr. BENNET. And so far as you are informed, it is not contemplated to add it?

Col. SMITH. That is correct.

Mr. BENNET. Now, in addition to that are there classes of patients less able to help themselves than convalescents who are being housed at Fort Sheridan?

Col. SMITH. There are no patients that would be housed at Fort Sheridan who could not be cared for in perfect safety.

Mr. BENNET. You would have insane patients there, would you not?

Col. SMITH. The buildings at Fort Sheridan are adequate for any patients sent there.

Mr. BENNET. If this question is presented to you in a capacity in which you do not regard yourself as an expert, I would be glad to have you say so. Are you aware that these plans were made for the construction of the hospital buildings on level ground, but that this hospital at Fort Sheridan is on an undulating surface?

Col. SMITH. Yes; I am aware of that. That is true of all plans that have been prepared. They have to be adapted to the contour of the ground where the hospital is located.

Mr. BENNET. Have you personally seen the Fort Sheridan hospital?

Col. SMITH. I have not.

I should say, Mr. Chairman, that you addressed a communication to the Secretary of War calling upon him to produce reports that he might have concerning the projects in and around Chicago. The Secretary of War sent to the Surgeon General's Office a request for any papers which we had, and directed that we produce them here for your purposes. I have certain papers here with regard to the various projects in and around Chicago, the vast majority of which I do not think are pertinent to your inquiry.

Senator HARDWICK. Some grave allegations have been made with respect to this Speedway project, and the committee has concluded that it would, if possible, discover what the facts are. That is what we had in mind. Will you leave them with the reporter?

Col. SMITH. They are from our files. The only paper in the lot which I think is pertinent, if I may judge from the trend of your inquiry, is the report of the special committee sent to Chicago by the Secretary of War, headed by Inspector Chamberlain, of which the Surgeon General was a member. I have that.

Senator HARDWICK. How could we get this letter that Col. Hornsby wrote? Would we have to get that through Secretary Baker?

Col. SMITH. From Secretary Baker, I presume. I have never seen the letter. Here are the papers.

Senator FRANCE. If they are not confidential, Col. Smith could have copies made and submitted for the record.

Senator HARDWICK. If you want to keep the originals for your files, suppose you have one of your clerks make a copy?

Senator FRANCE. Yes; and submit the copy as a part of your testimony to-day.

Mr. BENNET. There is also one other paper, a memorandum of the Surgeon General, some time after December 28, in response to a request of Secretary Baker for an opinion as to the desirability of the Speedway project at Chicago.

Col. SMITH. That I have here. I assume this is the one you have in mind—January 6, from Gen. Ireland to the Chief of Staff: "In regard to a permanent military hospital—"

Mr. BENNET. I presume that begins by noting the request of the secretary?

Col. SMITH. It starts this way:

In regard to a permanent military hospital, the Surgeon General is required to state if in his opinion it is best to locate one in Chicago.

(The memorandum herein referred to is printed in the record, as follows:)

Second, In regard to a permanent military hospital, the Surgeon General is required to state if in his opinion it is best to locate one in Chicago. This is a very difficult matter to decide. A permanent hospital there now, with the necessary workshops, could be used to advantage for reconstruction purposes; but whether the ultimate needs of the Army will demand a large permanent military hospital in Chicago, I am not able to state, because I do not know, and I take it for granted the War Department does not know at present what the military policy of the United States is going to be in the future, whether we are to have

an Army without military training or a different-sized Army with universal military training. If the decision is given now that the Army needs a permanent military hospital in Chicago, and the hospital is constructed, it may be that it will not be properly located a year from now, when the military policy of the United States has been decided by Congress. Under these circumstances I am not willing to commit the Government, by my recommendation, to the expenditure of several million dollars for the construction of a permanent military hospital in Chicago.

Col. SMITH. May I insert in the record also a circular letter, No. 41, which is a circular of instructions issued to the commanding officers of hospitals, which outlines the policy of the Surgeon General's Office in regard to the length of time and the character of treatment and when to discharge them?

(The circular letter referred to is as follows:)

WAR DEPARTMENT.  
OFFICE OF THE SURGEON GENERAL,  
Washington, January 21, 1919.

Subject: Treatment and discharge of sick and wounded.

1. The attention of medical officers is called to the provisions of Circular 188, War Department, December 31, 1918, respecting the discharge of disabled soldiers.

2. It is the policy of the War Department thereunder, subject to the provisions of section 4, act of June 15, 1917, governing the termination of the service of men, drafted or enlisted, under the act of May 18, 1917, to retain, so far as practicable, under military control, for the purpose of active medical and surgical treatment—

(a) Officers and soldiers suffering from acute diseases, or acute exacerbations of chronic diseases, or unhealed lesions.

(b) Officers and soldiers suffering from communicable diseases, or who are "carriers," whose discharge would be a danger to the civil community.

(c) Officers and soldiers suffering from disabilities incurred in the line of duty which are correctable within their terms of service or enlistment.

(d) Officers and soldiers suffering from chronic or permanent disabilities incurred in the line of duty which are susceptible for improvement by measures for mental or physical reconstruction designed to fit them for return to their homes, for the resumption of their former vocations, or, with their consent, for the industrial opportunities or the training courses provided by the Federal Board for Vocational Education.

3. In the accomplishment of this policy it is the intention to restore officers and soldiers who are held in service as provided in paragraph 2 to health and function as fully as possible, considering the nature of their disabilities, the limitations of the military service, and the other provisions which the Government has made for the care of the permanently disabled. The National Home for Disabled Volunteer Soldiers provides retreats for former soldiers who have served in time of war and are unable to maintain themselves. The Bureau of War Risk Insurance provides compensation and medical and hospital treatment for disabilities incurred in the line of duty. The Federal Board for Vocational Education provides courses in vocational training and maintenance during the same for soldiers disabled in the line of duty who desire to take them. It is not the department's purpose, therefore, to retain disabled officers and soldiers under treatment indefinitely, thus exposing them to the danger of hospitalization, but, rather, only so long as is necessary to complete the degree of physical restoration indicated in section (d) of the preceding paragraph. Such measures of restoration having been taken, discharge for disability, as prescribed in 159 Army Regulations, should be recommended promptly in the cases of permanently incapacitated drafted or enlisted men. In the case of officers not of the permanent establishment the procedure prescribed in Circular 73, War Department, November 18, 1918, governs.

4. In applying the foregoing principles, the following special rules will ordinarily be observed:

(a) Cases of tuberculosis should be kept under treatment in military hospitals until the disease is arrested or until it is ascertained that they are progressive in type or incurable.

(b) Cases of organic heart diseases and manifest chronic nephritis should be recommended for discharge.

## MILITARY HOSPITALS.

(c) Cases of general paresis or of insanity complicated by epilepsy (insane epileptics) should be sent to St. Elizabeths or disposed of as otherwise provided in paragraphs 464 to 470, Army Regulations, as amended.

(d) Other insane who present particularly dangerous tendencies or in whom all the clinical evidence points to incurable conditions should be likewise disposed of.

(e) Soldiers showing symptoms of insanity whose cases are not included in subparagraphs (c) and (d) should be retained in military hospitals under observation and treatment for a period not exceeding four months. If at the end of four months the symptoms continue, like disposition will be made of these cases also.

(f) All cases of epilepsy not covered in (c) will be recommended for discharge on certificate of disability.

(g) Drug addicts will be promptly recommended for discharge.

(h) The blind or nearly blind should be retained until they are functionally able to care for themselves and are otherwise physically fit for discharge.

(i) The deaf or nearly deaf may be retained until they have learned lip reading and are otherwise physically fit for discharge.

(j) Cases of amputation of the leg or arm, or both, should be retained in hospital until the stumps have healed, suitable provisional artificial limbs provided, and reasonable proficiency in the use of such limbs acquired.

(k) Soldiers suffering from surgical disabilities incurred in the line of duty which are correctible in whole or in part within their terms of service should, if consented to by the soldier, be retained for the necessary corrective measures. If correction measures are contraindicated within a reasonable period, discharge will ordinarily be recommended. Cases of disability not incurred in the line of duty which may be corrected by proper treatment may be retained for the correction or be recommended for discharge, as deemed most appropriate.

5. Cases of unimprovable chronic diseases not enumerated in the above special rules should be dealt with under the principles incorporated in paragraph 3.

6. The question of line of duty will be determined conformably with the provisions of paragraph 448, Manual for the Medical Department, as amended.

By direction of the Surgeon General:

C. R. DARNALL,  
Colonel, Medical Corps, United States Army,  
Executive Officer.

(The following statement, submitted by Col. Smith, is here printed in the record, as follows:)

## Capacity and condition of Army hospitals.

## GENERAL HOSPITALS.

	Standard capacity of hospital.	Bed situation.		
		Occupied.	Vacant.	Total.
Army and Navy, Hot Springs, Ark.....	264	148	118	266
Fort Bayard, N. Mex.....	1,046	1,501	272	1,773
San Francisco, Cal.....	1,200	1,085	158	1,243
Walter Reed, Takoma Park, D. C.....	2,093	1,939	219	2,158
No. 2, Fort McHenry, Md.....	1,400	1,543	337	1,900
No. 3, Colonia, N. J. (Rahway) <sup>1</sup> .....	1,650	1,680	.....	1,680
No. 4, Fort Porter, N. Y.....	322	209	113	322
No. 5, Ontario, N. Y.....	660	340	317	657
No. 6, Fort McPherson, Ga.....	2,000	1,655	575	2,230
No. 7, Roland Park, Md.....	120	120	.....	120
No. 8, Otisville, N. Y.....	579	575	4	579
No. 9, Lakewood, N. J.....	900	778	220	998
No. 10, Boston, Mass.....	470	143	327	470
No. 11, Cape May, N. J.....	700	608	30	638
No. 12, Biltmore, N. C.....	450	261	190	451
No. 13, Danville, N. Y.....	268	217	64	261
No. 14, Oglethorpe, Ga.....	1,300	1,013	450	1,463
No. 15, Corpus Christi, Tex.....	282	122	112	224
No. 16, New Haven, Conn.....	500	450	50	500

<sup>1</sup> Railroad station.

# MILITARY HOSPITALS.

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## Capacity and condition of Army hospitals—Continued.

### GENERAL HOSPITALS—Continued.

	Standard capacity of hospital.	Bed situation.		
		Occupied.	Vacant.	Total.
No. 17, Markleton, Pa.	198	198		198
No. 18, Richland, N. C. (Waynesville) <sup>1</sup>	400	352	248	600
No. 19, Oteen, N. C. (Biltmore) <sup>1</sup>	1,100	1,074	26	1,100
No. 20, Whipple Barracks, Ariz.	340	329	12	341
No. 21, Denver, Colo.	931	775	156	931
No. 23, Hot Springs, N. C.	612	77	538	615
No. 24, Parkview, Pa.	450	256	194	450
No. 25, Fort Benj. Harrison, Ind.	703	408	205	703
No. 26, Fort Des Moines, Iowa	990	1,076		1,076
No. 27, Fort Douglas, Utah	309	117	192	309
No. 28, Fort Sheridan, Ill.	1,480	1,076	375	1,451
No. 29, Fort Snelling, Minn.	1,100	921	254	1,075
No. 30, Plattsburg Barracks, N. Y.	1,200	535	665	1,200
No. 31, Carlisle, Pa.	120	38	82	120
No. 32, Chicago, Ill.	500		500	500
No. 33, Fort Logan H. Roots, Ark.	500	385	123	508
No. 34, East Norfolk, Mass. (Pondville) <sup>2</sup>	326	239	97	336
No. 35, West Baden, Ind.	410	295	127	422
No. 36, Detroit, Mich.	1,200			
No. 37, Madison Barracks, N. Y.	250	131	120	251
No. 38, East View, N. Y.	549	10	539	549
No. 39, Long Beach, Long Island, N. Y.	178	74	94	168
Total	30,022	22,773	8,103	30,876

### BASE HOSPITALS.

Beauregard, La.	1,178	471	409	880
Bowie, Tex.	1,496	510	730	1,240
Cody, N. Mex.	1,342	172	988	1,160
Ouster, Mich.	1,858	830	608	1,428
Devens, Mass.	1,810	1,168	497	1,665
Dix, N. J.	1,978	1,690	160	1,850
Dodge, Iowa	1,954	1,336	514	1,850
Edgewood Arsenal, Md.	350	140	200	340
Fort, Abraham, Va.	600	231	368	599
Fremont, Cal.	1,470	336	664	1,000
Gordon, Ga.	1,322	655	967	1,642
Grant, Ill.	1,978	1,086	414	1,500
Greene, N. C.	1,568	304	1,208	1,512
Hancock, Ga.	1,517	1,184	439	1,623
Humphreys, A. A., Va.	613	331	226	567
Jackson, S. C.	1,700	1,349	351	1,700
Johnston, Joseph E., Fla.	833	229	654	883
Kearny, Cal.	957	431	938	1,369
Lee, Va.	1,953	1,570	570	2,140
Lewis, Wash.	1,997	1,398	390	1,778
Logan, Tex.	799	515	845	1,400
MacArthur, Tex.	1,270	370	1,030	1,400
McKellan, Ala.	1,693	1,176	517	1,693
Meade, Md.	1,930	1,388	542	1,930
Pike, Ark.	2,009	1,208	618	1,826
Sevier, S. C.	1,238	337	893	1,230
Shelby, Miss.	959	457	759	1,216
Sheridan, Ala.	1,310	463	947	1,310
Sherman, Ohio	1,833	1,538	79	1,617
Stall, Fort, Okla.	820	326	500	826
Taylor, Zachary, Ky.	1,833	1,373	460	1,833
Travis, Tex.	1,997	1,106	772	1,878
Upton, Long Island, N. Y.	1,739	1,199	100	1,299
Wadsworth, S. C.	1,634	244	1,390	1,634
Wheeler, Ga.	1,248	386	600	986
Total	50,871	27,507	21,297	49,804

<sup>1</sup> Railroad station.

<sup>2</sup> Telegraph station, Norwood, Mass.

<sup>3</sup> When complete.

## MILITARY HOSPITALS.

*Capacity and condition of Army hospitals—Continued.*

## UNDER SURGEON, PORT OF EMBARKATION, HOBOKEN, N. J.

	Standard capacity of hospital.	Bed situation.		
		Occupied.	Vacant.	Total.
General hospital No. 1, Williamsbridge, N. Y.....	1,082	936	322	1,258
Base hospital, Camp Merritt, N. J.....	2,200	1,305	4,152	5,457
Base hospital, Camp Mills, Long Island, N. Y.....	635	384	733	1,117
Auxiliary hospital No. 1, New York, N. Y., Rockefeller Institute.....	55	50	5	55
Embarkation hospital No. 1, Hoboken, N. J., St. Mary's Hospital.....	782	297	328	635
Embarkation hospital No. 2, Secaucus, N. J.....	385	359	142	501
Embarkation hospital No. 4, New York, N. Y., Poly-clinic Hospital.....	360	119	226	345
Debarcation hospital No. 1, Ellis Island, N. Y.....	1,025	197	846	1,043
Debarcation hospital No. 2, Fox Hills, Staten Island, N. Y.....	1,808	411	1,466	1,877
Debarcation hospital, No. 3 Greenhut Building, New York, N. Y.....	3,130	1,109	2,291	3,400
Debarcation hospital No. 5, Grand Central Palace, New York, N. Y.....	1,550	651	1,546	2,197
Total.....	13,012	5,818	12,057	17,875

## UNDER SURGEON, PORT OF EMBARKATION, NEWPORT NEWS, VA.

Base hospital, Camp Stuart, Va.....	1,343	2,528	1,403	3,931
Debarcation hospital No. 51, Hampton, Va.....	1,580	1,363	682	2,045
Debarcation hospital No. 52, Richmond, Va.....	600	43	657	700
Total.....	3,523	3,934	2,742	6,676

## DEPARTMENT BASE HOSPITALS.

Base hospital, Fort Bliss, Tex.....	882	354	290	644
Base hospital, Fort Riley, Kans.....	3,068	1,914	961	2,875
Base hospital, Fort Sam Houston, Tex.....	1,655	889	523	1,412
Total.....	5,605	3,157	1,774	4,931

## RECAPITULATION.

General hospitals.....	30,022	22,773	8,103	30,876
Base hospitals.....	50,871	27,507	21,297	45,804
Port of embarkation, Hoboken, N. J.....	13,012	5,818	12,057	17,875
Port of embarkation, Newport News, Va.....	3,523	3,934	2,742	6,676
Department base hospitals.....	5,605	3,157	1,774	4,931
Grand total.....	103,033	63,189	45,973	109,162

By direction of the Surgeon General:

C. R. DARNALL,  
Colonel, Medical Corps, United States Army,  
Executive Officer.

(Thereupon, at 5.10 o'clock p. m., the committee adjourned until to-morrow, Friday, January 24, 1919, at 10.30 o'clock a. m.)

## MILITARY HOSPITALS.

FRIDAY, JANUARY 24, 1919.

UNITED STATES SENATE,  
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS,  
*Washington, D. C.*

The subcommittee met, pursuant to adjournment, at 10.45 o'clock a. m. in the committee room in the Capitol. Senator Thomas W. Hardwick presiding.

Present: Senators Hardwick (acting chairman), France, and Beckham.

Senator HARDWICK. I will ask Col. Smith to conclude his statement.

### TESTIMONY OF COL. WINFORD H. SMITH, MEDICAL CORPS, UNITED STATES ARMY—Resumed.

Senator HARDWICK. Colonel, is there any way you would care to supplement the statement you were making yesterday to the committee?

Col. SMITH. Mr. Chairman, in attempting to be very brief last evening, I find that I omitted certain statements which I think it advisable to put in the record.

The third question asked is: "What are the plans of your department for the construction of hospitals in the near future?" Both Gen. Marshall and I stated that it was not contemplated to develop any more hospitals than were now in the process of completion. I felt that the matter should be amplified a little. That is true, as I stated in my testimony yesterday, as applied to the development of temporary hospitals for the meeting of the present emergency in the care of the sick and wounded returning from overseas. Plans are, however, in process of preparation, and we shall ask for legislation in the near future authorizing the development of a permanent project at the Walter Reed Hospital. It is now a dreadful hodge-podge of temporary buildings. It is intended to make that at least one of the chief, if not the chief, medical center of the Army, and legislation will be requested sometime in the near future to authorize that as a permanent project. But it has nothing to do with these temporary projects which have been under consideration. It is intended to add some permanent wards to the existing plant to replace much of temporary construction.

Senator HARDWICK. Have you any idea, Colonel, in a general way, what that is likely to cost?



Col. SMITH. Ultimately it will run into several millions of dollars.

Senator HARDWICK. When that is done, will that relieve any other demand elsewhere for hospital facilities?

Col. SMITH. Oh, yes. That is the idea, to concentrate. In addition to that, Mr. Chairman, it is desired to develop that as a center, not merely for a hospital, but to concentrate there the facilities for the Army Medical School, the Veterinary School, the Dental School, the Medical Museum, and the Medical Library, so that we will have there, in Washington, the medical center. Those are all activities now being carried on in buildings more or less unsuitable, some of them leased at considerable expense, even though they are unsuitable, and the Medical Library, for example, housed in buildings absolutely unsafe for such a valuable collection. Senator France will bear me out when I say that that is undoubtedly the next most valuable and complete collection of medical literature in the world. It is contemplated to concentrate all of those activities in the one place. It is believed to be desirable.

Senator HARDWICK. If that is done, will not that relieve other space that the department now controls that might be devoted to public health hospitals?

Col. SMITH. It is quite possible, but it will take several years to develop this project.

Senator HARDWICK. That is a matter for the future?

Col. SMITH. Yes. I did not wish to have the department placed in the position a month or six weeks from now, when legislation is asked for this project, to appear to have been on record that we contemplated no further development along hospital lines.

Senator HARDWICK. There is one thing that I want to ask you now before you go on with your statement. I got the impression yesterday afternoon, from what you said, that in the course of two or three months, the Surgeon General's office might very well be able to give a more definite opinion as to how much of their surplus beds they might be able to turn over to this other and growing service. Is that right?

Col. SMITH. That is correct.

Senator HARDWICK. That you are unwilling to venture more than an opinion now, but that then, you might tell us?

Col. SMITH. It is more definite than that, Mr. Chairman. While we feel that it is unsafe to release hospitals now, we feel reasonably sure that we shall be able to release hospitals within two or three months. How many, of course, would depend upon the number of sick and wounded that return; and, in that connection, that brings up the other point which I wish to make this morning.

I had in mind particularly the statement made by you yesterday that it was difficult to understand why, with several thousand vacant beds in hospitals operated by one department of the Government, they could not be made available for the use of another department of the Government. I have stated that it would be impossible for us—at least deemed unsafe for us—to turn over hospitals at this time. I do wish to make this point, however, that the Surgeon General is quite willing to place those beds at the disposal of the War Risk Bureau, if authority is given to him to readmit discharged soldiers. Under the law we can not admit discharged soldiers to military hospitals. Those beds are there, however, and we could admit, probably, several thou-

sand of those cases if authority were given to the Surgeon General, and the Surgeon General of the Army is quite willing to cooperate in every way to that extent.

Senator HARDWICK. Pardon me for breaking in again on you right there, but I am a layman on these matters, and I want to get a correct understanding. Some of them appear very queer to me. I gather, without any flattery, that you are quite an eminent medical authority. Can you give me your opinion as to why it is not thoroughly practicable, when these beds do become vacant, to give them up for this other branch of the service to use them, too? If they are good enough for our soldiers, they ought to be good enough for anybody, it appears to me, and yet these other people say they would not have your hospitals, in effect, in substance. I do not understand it.

Col. SMITH. As I understand, their objection is this, that they wish permanent hospitals. These are temporary hospitals, built for an emergency. Those hospitals are well planned, well equipped, and well laid out. They are not permanent hospitals. They have been operating, some of them, for nearly a year and a half with entire satisfaction as hospitals. So far as their being suitable for their purposes as hospitals, I can see no reason why they should not be used. Undoubtedly there is much in what has been said about the unattractiveness of the surroundings, once the remainder of the camp is abandoned, and it is also true that temporary buildings, constructed as these have been, are not as attractive as finished permanent buildings would be. They are, however, entirely suitable for hospital purposes.

Senator HARDWICK. But, if we are considering it from the standpoint that the country has a great burden of expense to carry, and that every possible reasonable economy that does not sacrifice health or the real essentials should be employed, then do you not think we might use some of these hospitals, even if they are not exactly as pretty as they would like?

Col. SMITH. I do not wish to appear to be opposed to an opinion of those who are seeking these hospitals, but I think they are entirely suitable for hospital purposes.

Senator HARDWICK. No hospital looks pretty to me. I have not had much experience with any of them, but they do not look attractive to me.

Col. SMITH. The point was made yesterday that these hospitals were unattractive and that patients would not be willing to stay in them unless they are returned to civilian status. I think the question might pertinently be asked as to whether or not these men are going to be willing to stay in any Government hospital once they are returned to a civilian status. My personal opinion is that any system that is devised for the care of these men must be a system which is going to place them as near their homes as possible, and that even though the Public Health Service these present hospitals, it will be necessary for the authorities to make use to the fullest possible extent of the civilian institutions of the country, if the men are to be induced to really take the treatment which they require. Otherwise, they will find other ways of obtaining it.

Those were the only two points which I wished to put in the record.

Senator FRANCE. You would not be prepared at the present time to state approximately how many beds you might be able to release? You were referring to the fact that you might be able to release several thousand.

Col. SMITH. I could only hazard a guess, Senator. I should say, offhand, that probably within three months we could release between 5,000 and 10,000 beds.

I submit a copy of the report of the board of officers appointed by the Secretary of War to investigate the hospital situation in Chicago, the commission headed by the Inspector General of the Army, Gen. Chamberlain.

Senator HARDWICK. That is a copy of the original document?

Col. SMITH. This is a copy of the original document, as you requested, as directed by the Secretary of War to be placed before you.

Senator HARDWICK. We thank you, Colonel. I think it proper at this stage to put in the record one telegram and one letter that have been received by the committee with reference to this Speedway matter, so that we will have them in shape for convenient reference when we finally come to make up our decision.

(The documents referred to are as follows):

[Real Estate News, published monthly by Real Estate News Co., 35 North Dearborn Street, Chicago, Ill.]

CHICAGO, January 18, 1919.

The CHAIRMAN COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS,

Washington, D. C.

SIR: It is respectfully asked that this letter be considered in the nature of a petition to your honorable committee and made a part of the records thereof. It is sent following announcement in to-day's newspapers that your committee will investigate the reconstruction hospital controversy on Monday, January 20.

As a result of considerable investigation and inquiry by this journal, we believe the public interests demand answers to two questions: (1) Why did the Government, during speedy construction of a modern, scientific, fireproof hospital, duly authorized by competent War Department officials, engage in the construction of several million dollars' worth of wooden structures at Fort Sheridan? (2) Why did the Government lease the Field Museum, a structure not designed for hospital purposes and involving large expenditures and long delay before being ready for use?

There is widespread suspicion in Chicago, based upon evident facts, in the present status of Field Museum construction, that a certain group of men having the power to command great press patronage here are seeking to advance personal and corporate interests, and in this have influenced events at Washington to the detriment of the interests of the Nation. There is a belief that this group has engaged in political and departmental propaganda at Washington, reinforced by active press propaganda in Chicago. This group, operating on a rule-or-ruin basis, seems to have had power to create chaos and to cause delay which threatens disaster in this vital public matter.

Your honorable committee is respectfully urged to inquire diligently and thoroughly into all facts affecting the so-called Speedway Hospital, and also the Field Museum and Fort Sheridan projects, and to summon as witnesses all persons who have knowledge of the facts and negotiations in relation to same.

Yours, respectfully,

REAL ESTATE NEWS CO.,  
By J. E. McELDOWNEY, Editor.

CHICAGO, ILL., January 23, 1919.

Senator HARDWICK,

Chairman Committee on Public Buildings and Grounds:

Chicago women, of prominence and unquestioned honor, who were sent to Washington to protest against housing our wounded soldiers in the wooden hospital buildings at Fort Sheridan, are being trailed and questioned by mili-

tary intelligence officers. By inference these investigators are leaving the impression in the minds of the Members of our delegation that our motives in protesting are not purely humanitarian. The publisher of the *Women's Press* voluntarily gave the Army intelligence department full information. The *Chicago Tribune* this morning carries a column and a half story reflecting the same inference by this investigation. The injury is irreparable. The sincere, the honest, the high-minded women who have the welfare of our wounded boys deeply at heart should be protected from this obvious campaign of terrorism. Is it in the province of your committee to inquire and fix the responsibility for these veiled charges? The women of Chicago are deeply enraged by this unwarranted investigation. A mass meeting is being planned. What has become of the boasted gallantry of our country, when men will permit such a subtle attack upon the character of our womanhood? Will you kindly lay this message before your committee?

FERD E. FISHER,  
*Publisher The Women's Press.*

Senator HARDWICK. I merely offer these for the information of the committee, and for future consideration of it in convenient form.

It has been suggested by Senator Reed, or by his clerk, that it is proper that I should at this time call attention to the fact that Secretary Glass, in a recent letter, has insisted that these bills relating to additional hospital accommodations for the War Risk Insurance Bureau and the Public Health Service be passed at once. That letter is on file and will be available to the committee.

Mr. BENNET. May I ask the colonel a question or two, Mr. Chairman?

Senator HARDWICK. Certainly.

Mr. BENNET. Colonel, have you brought up this morning the report of the so-called Chamberlain commission?

Col. SMITH. I just handed it to the reporter.

Mr. BENNET. As I understood your testimony, Colonel, there is a plan afoot to construct what is known as a reconstruction hospital, with permanent buildings, at Walter Reed Hospital?

Col. SMITH. There is a plan on foot to develop the Walter Reed Hospital in permanent buildings in place of the temporary buildings now there.

Mr. BENNET. That, of course, would require also the purchase of additional land?

Col. SMITH. That does require the purchase of some additional land.

Mr. BENNET. Is it or is it not a fact that the purchase of that additional land and the erection of those permanent buildings would require a sum of money greater than the sum of \$3,253,475, which was the proposed price for the 320 acres of land and all the buildings at the Speedway Park?

Col. SMITH. I think that the tentative estimates thus far made do show that it would cost more than the sum which you mention for the Speedway. It is also true, however, that the plant would be in every way a more suitable plant for the purposes than the Speedway.

Mr. BENNET. The Speedway proposition contains 320 acres of land?

Col. SMITH. I have heard it said it did.

Mr. BENNET. And the main building—the concrete structure—is the largest concrete hospital structure that we have in this country, either under the Army or civilian jurisdiction. Is that correct?

Col. SMITH. It may be.

Mr. BENNET. If I made that statement, you would not be prepared to contradict it?

Col. SMITH. I think that it is probably true as applied to a concrete building.

Mr. BENNET. At any rate, if it is not the largest, it is certainly one of the largest buildings of a fireproof character in this country?

Col. SMITH. It is.

Mr. BENNET. And the plan on which the final price was fixed—and I am not now using the word “fixed” so as to insinuate that the Secretary of War approved it—included, in addition to this building, the photographs of which are here, some 30 or 40 other buildings—smaller. Is that correct?

Col. SMITH. I presume it is. I am not familiar with the details.

Mr. BENNET. The idea being to constitute a complete hospital unit?

Col. SMITH. Yes.

Mr. BENNET. In connection with what is known as a reconstruction or reclamation hospital project for maimed soldiers, has or has not experience during this war abroad, in France and England, demonstrated that large areas on which agriculture, horticulture, and mechanical work can be done are beneficial in connection with the very necessary work of reclaiming our maimed soldiers?

Col. SMITH. I believe that the experience has been that certain types of injuries place the soldier in a physical condition where out-of-door training in agricultural work of various types is very beneficial.

Mr. BENNET. But after you had bought the additional land at Walter Reed you have less than 320 acres, would you not?

Col. SMITH. I am not sure what the acreage is. But it should be said that this is not particularly for reconstruction purposes. This is a permanent project which will cover several years for its completion.

Mr. BENNET. A rather ambitious hospital project to be located in the city of Washington, of a permanent character?

Col. SMITH. Yes.

Mr. BENNET. And which can not be now constructed without additional legislation?

Col. SMITH. That is true.

Mr. BENNET. Is it the purpose of the Surgeon General's Department to recommend that, without reference to the size of the Army as fixed by Congress?

Col. SMITH. No; that has been taken into consideration.

Mr. BENNET. Do you know how big an Army we are going to have?

Col. SMITH. We are assuming it will be 500,000.

Mr. BENNET. So you make that recommendation on the theory that we will have an Army of 500,000?

Col. SMITH. If it were less, there would always be use for the institution as planned.

Mr. BENNET. If we had an Army of 250,000 you would still need that?

Col. SMITH. Yes.

Mr. BENNET. And you are able to make that plan now in connection with that?

Col. SMITH. Yes.

*(The report referred to by the witness is as follows:)*

[Copy.]

DECEMBER 23, 1918.

From: The board of officers appointed by S. O., W. D., 295-O.

To: The Adjutant General.

Subject: Hospital situation, Chicago and Fort Sheridan, Illinois.

1. A board of officers composed of Major General John L. Chamberlain, Inspector General; Major General Merritte W. Ireland, Surgeon General; Brigadier General Richard D. Marshall, Construction Division; Lt. Col. C. C. Wright, Construction Division; Major Louis W. Stotesbury, Inspector General's Department; and Major A. E. Storde, Judge Advocate General's Department, was appointed by S. O., W. D., 295-O, December 18, 1918, to carry out the instructions of the Secretary of War. The members of the board were directed by said order to proceed at the earliest practicable date to Chicago, Illinois, and Fort Sheridan, Illinois, and the instructions of the Secretary of War were to investigate the hospital situation at the places mentioned and to make report thereof, together with the recommendations of the board in respect thereto.

2. Pursuant to the orders above mentioned, the members of the board proceeded to Chicago December 19, 1918, visiting the hospitals in the Chicago district and Fort Sheridan, Illinois.

3. After careful investigation of the hospital now under construction at Fort Sheridan and the proposed hospitals at the Field Museum of Natural History, the Cooper-Monatah Hotel, and the project near Maywood, Illinois, known as Speedway Park, the board has concluded as follows:

A. The board concurs with the recommendation for the abandonment of the Field Museum for hospital purposes, made by the office of the Surgeon General and approved by the director of operations and the Assistant Secretary of War.

B. The Surgeon General has informed the board that the requirements of his office provide for the establishment of hospital capacity for 4,000 beds in the Chicago district. The board finds that the work being done at Fort Sheridan, together with the facilities afforded by the Cooper-Monatah Hotel, will provide ample capacity to take care of these requirements. A careful examination has been made of the construction work being done at Fort Sheridan, with particular reference to the temporary 2,500-bed addition to the permanent post buildings and the fire risk in connection therewith. The board finds this work to be entirely suitable for the purpose for which it is designed, considered from the standpoint of construction, fire prevention, and protection and operation. Careful investigation of all facilities provided for fire protection and prevention as outlined in the report submitted by the advisory engineer on fire protection, representing the National Board of Fire Underwriters and the War Department Bureau of Fire Prevention, and the board concurs in the final conclusion of this report, which is as follows:

"In conclusion, we believe that with the adequate fire fighting facilities afforded, the fact that these buildings will be under constant guard and that the common hazards have been reduced to a minimum, the probability of any fire of moment is decidedly remote. From the standpoint of the life hazard, more than reasonable requirements as to exits have been provided.

H. E. NEWELL,

*"Advisory Engineer on Fire Prevention, National Board of Fire*

*"Underwriters, War Department Bureau of Fire Prevention."*

Several presentations were made to the board in connection with the fire risk of the frame hospital being constructed at Fort Sheridan, Illinois. The board finds that there is a distinct public sentiment that such a fire hazard does exist. As indicated above, the board finds that this public sentiment is not based upon facts.

C. The board therefore recommends that the work at Fort Sheridan be carried to completion as planned and that the Cooper-Monatah Hotel also be completed. These two hospitals, when finished, will fully take care of the hospital requirements of the Chicago district, as at present estimated by the Surgeon General. Attention is invited to the fact that the construction work at Fort Sheridan is seventy-two per cent (72%) completed and the hospital facilities will be ready for occupancy February 1st, 1919. The Cooper-Monatah Hotel will be ready for occupancy about January 15, 1919. It is estimated that the total cost involved in the development of Fort Sheridan for hospital purposes is \$3,500,000.00.

A careful examination of the work in its present condition has been made and it is estimated by the construction division that if the work were immediately stopped and the temporary buildings and materials salvaged and the ground which they occupy restored to proper condition, the saving from the total cost that could be effected would be approximately \$600,000.00.

D. As a separate proposition it might be advisable for the Government to provide in this area a permanent fireproof up-to-date hospital, which could be utilized not only in the present emergency, but later to release rented buildings and also the permanent military reservations for occupancy by troops. Furthermore, the possession of such a hospital would doubtless go far to counteract the condition of mind now existing with respect to the temporary constructions at Fort Sheridan. With that in view the board has made a careful study of the hospital project located at Speedway Park near Maywood, Illinois, being constructed by the Shank Company. This project as now designed provides for a hospital building of fireproof construction, with a capacity of 2,500 patient beds. In addition to this, and located adjacent to the hospital building, are frame buildings to provide housing for Hospital Corps detachment, nurses, and officers, together with storerooms, administration building, power houses, receiving building, laundry, laboratory, mortuary chapel, physical therapy building, and curative shop and school buildings. The plans were carefully gone over by the members of the board, who have concluded that the proposed project at this location is complete in every respect in accordance with the requirements of the office of the Surgeon General. The board is advised that the Shank Company proposes to complete this project and sell the same to the Government, including the property of 320 acres, at a price of \$3,253,475. To this must be added the administrative cost to the Government of about \$100,000.00. The Shank Company also agrees that if at the end of eight years the Government desires to dispose of this hospital the said company will buy the said property back from the Government at a price of \$1,266,211.

The board believes that the cost of this project, as submitted by the Shank Company, is a reasonable one, and that it would be difficult for the Government to procure land in the same relative location and construct thereon the hospital facilities as designed for Speedway Park, except at a considerable increase over this price. If it should be immediately decided to purchase this property the board then recommends that the lease of the Cooper-Monatah Hotel be immediately abandoned, inasmuch as it is the belief of the board that Fort Sheridan will provide the necessary facilities until such time as the Speedway Hospital can be completed ready for occupancy, in 45 working days. If the Speedway property is purchased by the Government the board recommends that the subsidiary buildings in connection with this hospital, which are now designed of frame construction, be built of fireproof construction, to correspond with the main hospital building. It is estimated that the additional cost of carrying out this recommendation will be approximately \$300,000.00, making the total cost of the entire project about \$3,700,000.00.

4. The conclusions of the board therefore are summarized as follows:

A. That the Field Museum of Natural History be abandoned, as recommended by the Surgeon General's Office and approved by the Secretary of War.

B. That the construction work at Fort Sheridan, Illinois, be carried to completion as planned.

C. That consideration be given to the purchase of the Speedway Hospital as entirely separate from the other hospital projects in the Chicago vicinity along the lines outlined above, and that in the event it is purchased by the Government the lease of the Cooper-Monatah Hotel be immediately abandoned.

JOHN H. CHAMBERLAIN,  
*Major General, Inspector General.*

MERRITTE W. IRELAND,

*Major General, Surgeon General.*

R. C. MARSHALL, JR.,

*Brigadier General, Chief of Construction Division.*

C. C. WRIGHT,

*Lt. Colonel, Q. M. C., Construction Division.*

LOUIS W. STOTESBURY,

*Major, Inspector General's Department.*

A. E. STRODE,

*Major, Judge Advocate General's Department.*

(Signed by the members of the board in the office of Maj. Gen. J. L. Chamberlain. *Inspector General.* 12, 23, 18.)

CCW: LBP COPY: ELL

## TESTIMONY OF MR. FRANCIS BLOSSOM.

(The witness was sworn by the chairman.)

Senator HARDWICK. Mr. Blossom, you have been requested to attend the meeting of the committee in order to give us a brief statement of your view about the creation of a department of public works to consolidate and coordinate all these building operations of the Government. Will you please give the reporter your name and your professional or official status, whatever it is?

Mr. BLOSSOM. Francis Blossom. I am an engineer, graduating as civil engineer in 1891 from the Columbia School of Mines, and for 20 years past have been a member of the engineering firm of Sanderson & Porter, with offices in New York, Chicago, and San Francisco. The firm has been engaged in a wide variety of designing and consulting engineering work, including reporting, construction, and operation of industrial and public utility projects mostly.

On July 24 the Secretary of War appointed me as a member of a board of review of construction to review the construction work done by the War Department, with special reference to the work of the Construction Division of the Army, and with special reference to methods and results, and resultant speed and economy. Mr. W. S. Davies, former president of the American Institute of Accountants, and Mr. C. A. Morse, former chief engineer of the Santa Fe Railway, and now assistant director of the United States Railway Administration, in charge of transportation and maintenance, are the other two members of the board. I was chosen chairman of such board, which has investigated a large number of construction projects done by the Construction Division of the Army, and large contracts completed by all the other departments, such as Ordnance, Signal Corps, and Gas Warfare, and we presented a preliminary report to the Assistant Secretary of War, dated November 21, dealing with matters which we then thought might be of interest by reason of the armistice. We are now preparing our final report.

Senator HARDWICK. Gen. Marshall suggested that your professional and possibly your official experience had been such as to give you some occasion to examine into this question as to how all these building activities of the Government might be coordinated and consolidated in some way so as to promote both efficiency and economy in the expenditure of public money in building operations. Do you care to express any opinion on that subject, or have you formed one which you think would help the committee in its labors?

Mr. BLOSSOM. Yes, sir; I should be glad to do that, as within the past 10 days I have dictated my views on that point in the form of notes. I could, perhaps, read from them to better advantage than if I attempted to speak.

Senator HARDWICK. I will suggest this: You understand your time is short, and there are a multitude of things pressing us. Suppose, if you can, that you give the notes to the reporter, and then give us orally a very brief summary of what those views are, with such particular oral additions to the notes as you care to add at this time.

Mr. BLOSSOM. I prefer to do that.

Senator HARDWICK. It would be very much better, I think. You can give the notes to the reporter, without troubling to read them.

Mr. BLOSSOM. I will simply introduce my notes by saying that the construction work has demanded the best brains of the country in



various branches of the Army, and those brains have not been utilized to the best advantage, in that they have not been worked in the best team fashion. Certain specialized activities started by performing construction work necessary to the subsequent production of the articles then needed. They were not experienced in construction, meant a diversion of efficiency, a slackening up of work, and an impairment of the progress, because of the fact that the various branches of the Government were competing with one another for a limited supply of labor and materials, and the cost of such was being bid up against the Government by its own departments.

Senator HARDWICK. Bidding against each other?

Mr. BLOSSOM. Bidding against each other, without stimulus of production or increase in the available quantity of either labor or material, so far as I have been able to discover.

The net result has been that the construction has not been handled in all cases by those most experienced to perform it, and in the struggle to secure material the Government has paid unnecessarily high prices for it and labor without any compensating advantage. I see no reason to believe that that can ever be overcome except by such consolidation of construction activities as will do away with one department bidding against another.

Senator HARDWICK. Eliminating that and coordinating it all?

Mr. BLOSSOM. Coordinating it all. The present arrangement has had the same results that would be experienced in a large business organization having two or three competing purchasing agents.

Senator HARDWICK. Bidding against each other for the same thing?

Mr. BLOSSOM. Bidding against each other for the same thing, and with practically very little other buying in the market.

Senator HARDWICK. Have any of the great foreign countries—France, England, or any of those—solved this problem in the way you have in mind?

Mr. BLOSSOM. I have not as yet gotten the details of how they are handling it, but I have requested it and am expecting it. But it is my impression that they have made greater progress toward it than we have here. The only possible residual competition which such a program might leave is more apparent than real. That is to say, the Government will always be a large buyer of labor and material for construction work and also for supplies of all kinds incidental to its operations.

You can not consolidate successfully the procurement of labor and material for construction and the procurement of labor and material for operations, as the construction work is, as a rule, essentially an emergency proceeding, where the materials and products are required as a preliminary operation in producing other articles or producing the articles of supply, and are not, as a rule, issued from warehouses and storehouses, where the supply purchased would ordinarily be handled.

My suggestion would be that all the construction work be consolidated and all the supply work be consolidated, and that by coordination of a proper character between those two bodies, eliminating bidding against one another for labor and material needed, the Government would benefit to the maximum.

Senator HARDWICK. The agencies employed to effect that consolidation in Great Britain and in France, according to my recollection—

and I would like to have you verify it if I am wrong—are the departments of public works, at least as far as construction is concerned, are they not?

Mr. BLOSSOM. I have been so informed.

Senator HARDWICK. It is a fact that there is such a department in both of those countries?

Mr. BLOSSOM. Yes, sir; I understand so.

Senator HARDWICK. Outside of these oral observations, do you think your paper will cover the idea you have in mind along that line?

Mr. BLOSSOM. With this single point, in programing the activities of Government construction, and the handling of such work, I should recommend that it be taken up on the theory that a business organization would take it up on, that one body or organization was created to handle everything, and that no exceptions be made, except for cause, rather than to try to ascertain by discussions which should be put in and which should be left out, because I believe that on investigation it will be found that few will be left out.

Senator HARDWICK. In other words, you would create new agencies entirely, and not employ any existing agency.

Mr. BLOSSOM. Yes, sir; I would, or I would utilize existing agencies so far as they were competent and available and expand them.

Senator HARDWICK. And subordinate them to essential authority?

Mr. BLOSSOM. I would create one governmental construction agency, which should lay down standards, policies, procurement, and production of everything relating to construction, be it such work as the construction division of the Army handled or such construction work as all other arms of the Government have handled. I would have that body made responsible for fulfilling requests made upon it for construction activities by any arm of the Government.

Senator HARDWICK. In other words, the different branches of the service would make application to this central authority for such construction as they needed, and it would have it done?

Mr. BLOSSOM. That is my conception of the only proper way for the Government to get speedy and economical results under emergency conditions. I see no reason for modifying the general plan, excepting the magnitude for peace conditions.

Senator HARDWICK. It would be the same thing in principle whether the building operations were large or small?

Mr. BLOSSOM. The organization would be the same in theory, and as regards the principal personnel; but, of course, it would have to be expanded under war conditions to meet the larger volume of work which it would have to do.

Senator HARDWICK. We are very much obliged to you, and we will read your paper with a great deal of interest.

Mr. BLOSSOM. I might suggest, in closing, that the engineering council of the national engineering bodies would be able to furnish you some valuable information on this point, as I know it has given it considerable thought.

Senator HARDWICK. We will be glad to hear from you before the hearings are finished. We trust they may learn that we are conducting this inquiry, and let us have the benefit of their knowledge.

Mr. Blossom. One of my partners, Mr. Porter, happens to be on the council, and with your permission I would be glad to have him come before your body.

Senator HARDWICK. We would be very glad to have him come.

#### ADDITIONAL STATEMENT OF MR. FRANCIS BLOSSOM.

Construction is now performed by one or more instrumentalities in each of a number of the major departments of the Government as constituted in peace times, also by other agencies created to meet the war emergency. Among the governmental branches which handle independently in this country Government construction requiring large quantities of material and labor are: Treasury Department, Navy Department, War Department, Department of Agriculture, Department of Labor, Department of the Interior, and United States Shipping Board.

The war emergency has effected the assembly, on engineering, construction, and related problems, of many of the best and soundest brains of the country. The men and organizations which have directed or performed the engineering, contracting, supervising, and construction work for the different departments of the Government include numerous leaders in such work, many of whom have sacrificed important and lucrative positions through patriotic motives. Such ability could not have been so mobilized except under war conditions, and the resulting benefits should be conserved and made available for the future needs of the Government. The services of these men can be retained in Government service after the war only by consolidating the organizations of which they have been a part during the war emergency. In this way the Government can provide such of them as are required with tasks commensurate with their abilities and would be warranted in paying them the salaries necessary to hold them in peace times.

The placing of the responsibilities for the War Department construction in one body had a sound basis of reason. It was a necessity corresponding to the emergency which compelled a like unity of command overseas. In each case the unification effected great improvement in methods and results. Better knowledge and coordination in the mobilization and utilization of the available resources of the country was thereby effected. It would be impossible for many relatively small Government construction organizations—such as some of those which continued to build for their respective departments during the war—each to command the essential detailed knowledge of available materials and labor as to location, character, and amount.

Some other divisions of the War Department which initially performed their own construction subsequently turned it over to the construction division of the Army, pursuant to instructions. Making proper allowance for some unavoidable delays incident to the transfers, the net results observed show marked improvement. This was to be expected, because the abilities of the bureaus—so released from construction work—lie, as a rule, along very different lines than the construction of plant facilities for producing the conditions for their respective needs.

Various departments are organized specifically to effect the procurement, production, storage, or transportation of arms, ammunition, clothing, food, or supplies. If they are as highly competent as they should be to handle properly these specialized lines they might properly be correspondingly incompetent to handle construction. Therefore, the transfer of their construction work to the Construction Division of the Army constituted no real reflection upon them or their construction of their needed plant facilities, being rather a correction of the Government's mistake in permitting them originally to take on such construction work, which entailed an unfortunate diversion of the energies and specialized abilities of these departments.

Without having attempted as yet to make a thorough investigation of the construction work performed by the other departments than the Construction Division of the Army, it is my belief (from such investigations, office studies, and field observations as I have been able to make on something over 40 large Government projects, totaling several hundred million dollars, which I have examined to date, and on which I have also secured detailed information from questionnaires issued to the field offices) that an earlier consolidation of the construction activities of the Government would have reduced costs greatly and also effected substantial savings in time and efficiencies in utilization of

available labor and materials. What is of most importance is that it would have eliminated competition among the various branches of the Government. This competition has increased labor and material costs, delayed work, created conflicts in labor and material markets, and caused a loss of the advantages of standardization and experience. The expensive competition in procurement indulged in by the different branches of the Government has developed no compensating advantages by increasing the supply of either labor or materials, and undoubtedly resulted in inefficient utilization of such supply as did exist.

Of course, exceptions have been made and can readily be pointed out wherein difficulties were experienced in consolidating construction, but, as a whole, the Government's interests were much benefited. No other method has been proposed which would meet adequately the problems arising in providing facilities and which must be solved in both war and peace times.

The Construction Division of the Army performed the bulk of the War Department construction work in this country and appears, as a rule, to have cooperated efficiently with other divisions of the Government and Government agencies. It worked with the War Industries Board, the various labor boards and wage commissions, and other divisions and branches of the War Department and of the Government. Much of its organization and personnel and portions of those of other departments could well be utilized in handling the larger responsibilities which a general consolidation of Government construction would involve.

Satisfactory results in construction are not securable under the present plan of Government organization, for it entails too complicated relationships and responsibility without authority. No man can serve two systems any more than two masters. To obtain efficiency, economy, and speed, the future construction organization must command experienced personnel. These men should, so far as possible, be free from the limitations of military authority created by military rank or seniority. Such requirement necessitates the liberal utilization of competent civilian engineers who should act, wherever possible, in a civilian capacity, thereby avoiding the complications mentioned which are unavoidable in a purely military organization.

The Government can rely on the ability of an organization so created to avoid pyramiding of wages, duplication of facilities, waste and extravagance in material, and other troubles which tended to develop in the industrial processes serving the war needs of the country.

A continuance of the war would doubtless have driven the Government to carry out much of the program herein outlined and to create an organization controlling and coordinating all construction activities. This organization would fill requisitions for facilities, etc., made upon it by other bureaus and involving construction work, collaborating properly thereon with such bureaus. Its scope in construction work could advantageously have been made to correspond broadly to the activities of the War Industries Board, which handled and allocated the material resources of the country. It could have worked hand in hand with such a board and also with competent national labor boards responsible for creating a consistent labor policy which would meet the war and industrial needs of the country. It could also have utilized more efficiently the contracting organizations of the country under a suitable and standard form of low-profit contract. With a full and unified Federal authority behind it, there would have been little opportunity for qualified contractors to take only the easiest or most remunerative work or to deal only with departments paying the largest fees.

Full consolidation of construction would also have been the only effective means, had the war necessities continued, of conscripting the full supply of contracting and constructing ability, materials, and labor in the country and utilizing them efficiently through one central construction organization, responsible for providing the requisite facilities in this country for the supply of our combatant forces.

Such a general or consolidated construction organization, to function properly, should provide centralized supervision and control and lay down standards, policies, general plans, and instructions. It should be properly decentralized in the execution of its field construction work and in the adaptation of general orders to the local conditions of each project and in the development of pertinent details by the constructing officer, supervising engineer, and contractor.

The foregoing views relate especially to the war-emergency period, but they also state the principles, methods, and procedure which should be applied to obtain speed and economy in Government construction in time of peace.

The aggregate construction activities of the Treasury, Navy, War, Agriculture, Labor, and Interior Departments and of the United States Shipping Board (through its Emergency Fleet Corporation) comprise such a substantial percentage of the total annual disbursements of the Government, and will also occupy such a prominent place in the future economic and industrial life of the country that the Government's interests might be served best if the authority presiding over these activities is given the rank of a Cabinet officer.

#### TESTIMONY OF COL. LINCOLN BUSH.

(The witness was sworn by the chairman.)

Senator HARDWICK. Please give the committee your name and professional connections.

Col. BUSH. I am engaged with the construction division, at the present time on terminal port work and interior warehouses principally. I am a civil engineer, a graduate of the University of Illinois in 1888, and have been engaged in civil-engineering work, or with railroads principally and bridge companies, since that time, and have also been engaged in construction work for 10 or more years.

I think the suggestion of Mr. Blossom is a very good one. I am a member of several of the engineering societies and know in a general way what they have been thinking about in the matter of a department of public works. Several years ago Clements Herschel, president of the American Society at that time, brought up the subject, and it has since been brought up, and the Engineering Council, which is the representative body of all the engineering societies, have this matter now in hand and mind. This council represents about 32,000 engineers in the United States—mining, civil, mechanical, and electrical engineers—and I believe the representatives of that body could give you some definite information and views they are working on of value.

My view, in a general way, is this: That a department of public works would prove more efficient than could be realized from various bureaus working on similar projects or varied projects. It would also lead to economy, for this reason, that the personnel in proportion to the work accomplished would be less than it would, say, if five or six bureaus had their own independent organizations. It would lead to standardization of plans and types of construction and of materials. It would eliminate a friction that does arise between various bureaus working in their own way along their own lines.

Senator HARDWICK. And in some instances actively competing with each other for labor and material?

Col. BUSH. Yes, sir. That point was very well brought out by Mr. Blossom. That has been the case in our emergency construction work, and it is true also in civil life. I can illustrate that in this manner: I have been chief engineer of a railroad for a number of years, and, in fact, modernized, rebuilt, the Lackawanna Road—at least, I am immodest enough to think I did. On a railroad system—the Pennsylvania or any other—we have divisions. Each division of the railroad has its division engineer, with his staff, it may be 8 or 10 divisions. Those division engineers, and their staffs, proceed with designs of construction for bridges and various other construction projects, and each head has his own ideas. He may have materials on his division that he can carry out these ideas

with while the other divisions might not have. If you centralize that under the chief engineer's department, you get a standardization; the chief engineer knows the materials available along the whole system better than isolated individuals do, and that is very true of the problems of our Government.

Senator HARDWICK. It is true in a very much larger way of our own Government.

Col. BUSH. Yes. That was simply given as an illustration.

Senator HARDWICK. Do you happen to be acquainted with the machinery that foreign governments, like those of Great Britain and France, have adopted to handle this question?

Col. BUSH. I am not acquainted in detail with the machinery, but I do know that Great Britain and France have had departments of public works for many years, and the results show a uniformity in construction more than could have possibly occurred if various departments had been given each its own way. And by having the construction centralized, and the designing centralized, the Government would get aid, just as any large engineering organization or railroad does, of the tests on materials, and all such things, on which the independent units are more or less isolated, and there would not be that competition in the market for materials. That is, you have a central purchasing agent, as Mr. Blossom stated, who knows what materials there are, where they are located, and what we can use. I have often found engineers, even on a division of a small railroad, specifying, where they got out certain designs, materials that were not available.

As to commercial value of public works projects, we all know that the road work in our country has been, we would say, very largely experimental. We can drive over roads supposed to be the best, and in a few years we find them going to pieces. If construction of that character could be determined by a centralized department, and not have each head in each district doing something he thinks is the best, I think you would get better results.

Senator HARDWICK. If you will excuse me for giving you the benefit of my own knowledge, the reason for that is not the trouble that grows out of the character of our Government. Up to the present time road construction has been a matter for the local authorities of each State, and each county, and sometimes of each road district. Of course, if the better road government is going into that construction work on any considerable scale, it is an additional and very strong added reason for this department of public works.

Col. BUSH. Yes, sir; I think a very important reason. That is the way it impresses me. That simply is an illustration.

Senator HARDWICK. It looks as if we are bound that way, and that is an additional reason why we are obliged to have a department of public works, if we are going on much further.

Col. BUSH. There is another reason that suggests itself, as I sit here, and that is, in proceeding with large governmental projects, I believe the commercial value of those projects would be closer viséed by a centralized body than they would if localized, and I think that is one of the very important items to think about and consider.

Senator HARDWICK. In other words, you believe there ought to be some central authority in charge of every kind of construction work that the Government does?

Col. BUSH. Yes, sir; that is my opinion.

Senator HARDWICK. And building requisitions, so to speak, of the various departments of our Government that require construction?

Col. BUSH. Yes, sir.

Senator HARDWICK. If they were authorized by law, then they would come with their requisitions to this public building authority, and there the work would be standardized and let out and actually executed.

Col. BUSH. Yes; that is my thought. I have a further thought in this connection that occurs to me. I do not think this great emergency which we have been in would have been answered or the armistice signed when it was, if it had not been for the industries, the business executives of our country, and the men from civil life getting under and going to it the way they did. Those men are men who are adapted to emergencies. That is, if we are going to build a skyscraper in New York City, and the ground is purchased, the owners-to-be of that property push the engineer and everybody connected with that job to rush it. Those men in civil life have been working under emergencies, and that is more than true on railroads.

Senator HARDWICK. They are trained for emergencies?

Col. BUSH. Yes. I believe that a centralized department of public works would draw into it a large number of that class of men.

Senator HARDWICK. Men who are trained to meet emergencies?

Col. BUSH. Yes, sir. That is my belief. We do know that all large construction organizations, such as Mr. Blossom has spoken of, have their central organizations for purchasing, for doing things in a standard way, whether it is accounts of cost keeping or methods of construction. That does not eliminate the initiative from the individual man down in Texas, maybe a thousand miles from headquarters. But the best standard practice is determined by the head office, and this centralized department, I believe, would work out in the same manner.

I would like very strongly to suggest that the engineering council's representatives might have an opportunity to say something to you.

Senator HARDWICK. We would be delighted, because personally I believe that is one of the most necessary things that this country has to do in the period of readjustment and reconstruction.

Col. BUSH. That is about all that suggests itself to me.

Senator FRANCE. Colonel, do you know of any buildings which you have erected in the way of terminal buildings, or warehouses, which might be utilized for other purposes, for hospital purposes, or for other purposes than those for which they were constructed?

Col. BUSH. The structures which I have had particularly to do with have been these terminal ports, from Boston to New Orleans, and they are surely adaptable to commercial uses. The interior warehouses, which have been the reservoirs for continuing manufactured products at locations interior, seem to me to be valuable assets as reservoirs for storage facilities for products manufactured in certain industrial centers, in the event of railroad congestion, or they can be utilized for industrial purposes—for manufacturing, many of them. As to the conversion of those into hospitals, that particular type of structure would hardly be adaptable to that.

Senator FRANCE. Of course, we understand that to be the case. But we are attempting to formulate a general plan for the hospital

work, and as a part of that general plan these buildings might be utilized in some way. Have you available a list of the buildings which you yourself have constructed—in connection with the construction of which you have worked—that you could supply to the committee?

Col. BUSH. Yes; I could do that.

Senator FRANCE. We are attempting to make merely a general survey of what we have in the way of public buildings in order that we may coordinate the activities of the various departments so far as the uses of the available buildings are concerned.

Col. BUSH. I could give you those now. We have the Boston quartermaster's terminal, which consists of reinforced-concrete structures about six stories high.

Senator FRANCE. Warehouses?

Col. BUSH. Warehouses, three-story piers, supporting yards and docks alongside; and the Brooklyn Army base is a similar facility, though considerably larger, about a third larger in floor area or storage.

Senator FRANCE. Adjacent to the water front?

Col. BUSH. Adjacent to the water front, with three 2-story piers, each 150 feet wide, and one open dock 60 feet wide, with 35 feet of water at low tide. We have the same depth of water at Boston along the dock there. The port of Newark terminal has approximately 40 acres of one-story warehouses for miscellaneous storage, with about 2,000 feet of dock.

Senator FRANCE. Are they concrete?

Col. BUSH. They have tile walls and metal-construction roofs.

Senator FRANCE. Practically all of these are windowless structures?

Col. BUSH. They all have windows, are well lighted, particularly these large warehouses are well lighted. The other one-story buildings are lighted through the roof instead of side windows. At Philadelphia, we have been building there two or three story reinforced-concrete piers in which the upper stories serve as a warehouse area, while in the other instances the warehouse is set back a little distance from the dock.

Senator FRANCE. The Government owns the frontage where these buildings are located?

Col. BUSH. The Government has acquired the frontage back to Delaware Avenue, but not the property in the rear. I think I am correct that it has already acquired the frontage where the structure is being built.

Senator FRANCE. That is a sufficient summary of those buildings. Could you give us a brief description of the interior warehouses—their locations?

Col. BUSH. Before I proceed with that, you understand that we have at Norfolk and Charleston and New Orleans similar constructions to what I have described?

Senator FRANCE. Yes.

Col. BUSH. The interior warehouses are located at Schenectady, Columbus, New Cumberland, Chicago, and St. Louis. The structures at Schenectady, Columbus, and New Cumberland are one-story warehouses with concrete floors, tile side walls, and timber roofs, lighted with skylight through the roofs. These buildings are



about 160 feet wide and of varying lengths, some of them 1,200 feet or 1,500 long. That is the type of construction.

Senator FRANCE. They are located along the railroads?

Col. BUSH. Along the railroads; yes, sir. The interior warehouses at St. Louis and Chicago, are reinforced concrete multistory warehouses.

Senator FRANCE. You think none of these buildings would be suitable for temporary hospitals, bearing in mind that frequently churches and other structures not built for hospital purposes are used in times of war for hospital purposes?

Col. BUSH. I believe that those would be adaptable for temporary use in emergency. Of course, those buildings are 125 to 140 feet wide, and one of them 200 feet wide, at Brooklyn, so that the lighting is not what you would desire in a hospital. It would have to be artificial toward the center of the building. But they are perfectly sanitary structures.

Senator FRANCE. That gives a summary of them.

Col. BUSH. Yes. The Government is using part of the Boston project for barracks. About 3,000 men are quartered there, in that reinforced concrete warehouse.

Senator FRANCE. That is sufficient. We merely wished a summary. I thank you very much.

Col. BUSH. Did you wish anything additional on this, further than the notes I have given?

Senator FRANCE. We merely wished a little summary of the projects which you had in mind, and I think that will be sufficient.

Gen. MARSHALL. I might say that the Secretary of War has instructed me to supply the committee with such of the records as we have that the committee might desire.

Senator HARDWICK. On the Speedway proposition?

Gen. MARSHALL. Yes. Col. Wright has those records with him. He can produce such records as you want, and then we can give you photostatic copies of such records as you desire.

#### **TESTIMONY OF LIEUT. COL. CHARLES WRIGHT, CHIEF OF SECTION B, CONSTRUCTION DIVISION, UNITED STATES ARMY.**

(The witness was sworn by the chairman.)

Senator HARDWICK. Mr. Bennet, as Col. Wright is here to produce records with respect to the particular matter you are interested in, I will let you start off.

Mr. Bennet. Before I examine the colonel, I would like to read to the committee this exhibit, which has been made a part of these reports, but not yet read.

Senator HARDWICK. The Chamberlain report?

Mr. BENNET. The Chamberlain report. I will read only the part in relation to the Speedway Hospital. It reads:

As a separate proposition it might be advisable for the Government to provide in this area a permanent fireproof up-to-date hospital, which could be utilized not only in the present emergency, but later to release rented buildings and also the permanent military reservations for occupancy by troops. Furthermore, the possession of such a hospital would doubtless go far to counteract the condition of mind now existing with respect to the temporary constructions at Fort Sheridan. With that in view the board has made a careful

study of the hospital project located at Speedway Park, near Maywood, Illinois, being constructed by the Shank Company. This project as now designed provides for a hospital building of fireproof construction, with a capacity of 2,500 patient beds. In addition to this, and located adjacent to the hospital building, are frame buildings to provide housing for hospital corps detachment, nurses and officers, together with storerooms, administration building, power houses, receiving building, laundry, laboratory, mortuary, chapel, physical therapy building, and curative shop and school buildings.

The plans were carefully gone over by the members of the board, who have concluded that the proposed project at this location is complete in every respect in accordance with the requirements of the office of the Surgeon General. The board is advised that the Shank Company proposes to complete this project and sell the same to the Government, including the property of 320 acres, at a price of \$3,253,475. To this must be added the administrative cost to the Government of about \$100,000. The Shank Company also agrees that if at the end of eight years the Government desires to dispose of this hospital, the said company will buy the said property back from the Government at a price of \$1,296,211. The board believes that the cost of this project as submitted by the Shank Company is a reasonable one, and that it would be difficult for the Government to procure land in the same relative location and construct thereon the hospital facilities as designed for Speedway Park, except at a considerable increase over this price. If it should be immediately decided to purchase this property, the board then recommends that the lease of the Cooper-Monatah Hotel be immediately abandoned, inasmuch as it is the belief of the board that Fort Sheridan will provide the necessary facilities until such time as the Speedway Hospital would be ready for occupancy. The Shank Company states that the Speedway Hospital can be completed ready for occupancy in 45 working days. If the Speedway property is purchased by the Government, the board recommends that the subsidiary buildings in connection with this hospital, which are now designed of frame construction, be built of fireproof construction, to correspond with the main hospital building. It is estimated that the additional cost of carrying out this recommendation will be approximately \$300,000, making the total cost of the entire project about \$3,700,000.

4. The conclusions of the board therefore are summarized as follows:

(a) That the Field Museum of Natural History be abandoned as recommended by the Surgeon General's office and approved by the Secretary of War.

(b) That the construction work at Fort Sheridan, Illinois, be carried to completion as planned.

(c) That consideration be given to the purchase of the Speedway Hospital as entirely separate from the other hospital projects in the Chicago vicinity along the lines as outlined above, and that in the event it is purchased by the Government the lease of the Cooper-Monatah Hotel be immediately abandoned.

JOHN L. CHAMBERLAIN,  
*Major General, Inspector General.*

MERRITTE W. IRELAND,  
*Major General, Surgeon General.*

R. C. MARSHALL, Jr.,  
*Brigadier General, Chief of Construction Division.*

C. C. WRIGHT,  
*Lieut. Colonel, Q. M. C., Construction Division.*

LOUIS W. STOTESBURY,  
*Major, Inspector General's Department.*

A. E. STRODE,  
*Major, Judge Advocate General's Department.*

(Signed by the members of the board in the office of Maj. Gen. J. L. Chamberlain, Inspector General, 12/23/18.)

Senator HARDWICK. That was a report to the Secretary of War?

Mr. BENNET. Yes, sir; just a month ago yesterday.

Senator HARDWICK. Has the Secretary of War taken any action on that report?

Mr. BENNET. The Secretary of War has refused to transmit it to Congress.

Col. Wright, you are the Charles Wright mentioned in the report I have just read?

Col. WRIGHT. Yes, sir.

Mr. BENNET. Do the initials "C. W." that appear on the report indicate that you dictated the report?

Col. WRIGHT. I was authorized by the board to dictate the report.

Mr. BENNET. By authority of the board?

Col. WRIGHT. Yes, sir.

Mr. BENNET. You were connected with the Construction Division in June, July, and August of 1918?

Col. WRIGHT. Yes, sir.

Mr. BENNET. And have been ever since?

Col. WRIGHT. Yes, sir.

Mr. BENNET. You remember in August, 1918, when this matter first came to the attention of the Construction Division?

Col. WRIGHT. Yes, sir.

Mr. BENNET. And at that time Mr. Jacob Newman, of Chicago, and Mr. George Shank, of Chicago, consulted with you in connection with the matter?

Col. WRIGHT. Yes, sir. But I want to make it clear to the committee that all of the negotiations carried on with the Construction Division prior to the disapproval of the project were directed by Mr. Erskine, and he was asked the direct question as to whom he represented and he stated that the parties in interest did not care to have their names made known.

Mr. BENNET. You mean Mr. Albert De Wolf Erskine?

Col. WRIGHT. I think so. I do not recall his initials. It is the gentleman over here [indicating].

Mr. BENNET. That is Mr. Albert De Wolf Erskine. So that in August, when you were working on this matter, you had no idea who was really interested in it?

Col. WRIGHT. No, sir.

Mr. BENNET. You were simply accepting the proposition because it was a meritorious proposition?

Col. WRIGHT. No; that is not quite so. All of the hospital projects originate in the Surgeon General's Office, and these gentlemen were directed to our office to examine into the construction features involved.

Mr. BENNET. Who was the first architect whose sketches were first submitted to you?

Col. WRIGHT. I am not sure, but I think they were signed by Mr. Wheelock, of Chicago.

Mr. BENNET. What he presented were more sketches than plans, were they not?

Col. WRIGHT. Yes, sir.

Mr. BENNET. And subsequently did you suggest other architects?

Col. WRIGHT. When these plans were submitted, Mr. Erskine—and I think Mr. Shank was with him—were advised that they were in such shape that they could not be in any case considered by the Secretary of War. Before he would consider a project of this nature, the plans and specifications and the type of contract to be entered into must be all carefully worked out before he could express his approval, and they were instructed that until they could get these papers into that shape, the construction division could not recommend them to the Secretary of War for approval.

Mr. BENNET. Who suggested the selection of Schmidt, Garden & Martin as architects?

Col. WRIGHT. At the time the plans were in this shape, Mr. Erskine asked me if I could recommend anybody who I thought competent to work these sketches up, and I suggested that the firm of Schmidt, Garden & Martin, of Chicago, were experts in that line.

Mr. BENNET. And they came on, did they not? Mr. Schmidt and Mr. Garden, about the middle of August?

Col. WRIGHT. At that stage of the game Mr. Garden only came, as I understand it.

Mr. BENNET. And remained something like a couple of weeks or so in Washington?

Col. WRIGHT. I think so; yes, sir.

Mr. BENNET. Where did he work on these plans?

Col. WRIGHT. Some work was done in the office of the Surgeon General. I do not know that it was all done there.

Mr. BENNET. You were consulting with him there in the office of the Surgeon General?

Col. WRIGHT. Yes, sir.

Mr. BENNET. And this work continued until about the 30th of August, 1918; is that correct?

Col. WRIGHT. Just about, I think.

Mr. BENNET. And at that time plans had been perfected, had they not, of the concrete building, substantially 2,000 feet long, 50 feet wide, and six other buildings?

Col. WRIGHT. The plans were not perfected, they were in what we would call very good sketch form, and the type of agreement that was made was drawn on the basis that these preliminary drawings would be the basis for a contract, and later developed by architects selected by the Government.

Mr. BENNET. You have the contracts here?

Col. WRIGHT. I have one copy; yes, sir.

Mr. BENNET. Will you let me have it, please?

Col. WRIGHT. Here it is. [Handing contract to Mr. Bennet.]

Mr. BENNET. This apparently was signed by the Shank Co., by George H. Shank, its president, and the actual date of signing was the 30th of August, was it not?

Col. WRIGHT. I think so; yes, sir; to the best of my recollection.

Mr. BENNET. How many sets of these plans—which for the purposes of this question I will call the preliminary plans—were completed at that time?

Col. WRIGHT. There were three, I think.

Mr. BENNET. And at the same time that this contract was signed those plans were initialed by Mr. Shank and by yourself, representing the Construction Division?

Col. WRIGHT. But I want to clear up that situation also, that they were initialed for the purpose of identification as being documents which pertained to this agreement. In other words, later on, when the final plans were to be developed, these original sketch plans must be identified somehow, so that all of the parties interested would agree that these were considered in the first sketch plan.

Mr. BENNET. In other words, you initialed these sketch plans so that for all time it could be certain that they were the sketch plans

mentioned in the papers which Mr. Shank signed on the 30th of August?

Col. WRIGHT. Yes, sir.

Mr. BENNET. I just exhibit these plans to you for a moment. These are the sketch plans, are they not, or one copy of them?

Col. WRIGHT (after examining the papers). Yes, sir.

Mr. BENNET. Will you just state to the committee what initials are on each sheet and how the last sheet, or the first sheet—I do not know what you would call it—is signed? Which do you call it, the first sheet?

Col. WRIGHT. This the first sheet, I think. It is signed by the Shank Co., by George H. Shank, president, and R. C. Marshall, brigadier general, U. S. A., Chief of Construction Division; by C. C. Wright, lieutenant colonel, Q. M. C.

Mr. BENNET. And each of the other sheets is initialed "C. C. W." and "G. H. S."?

Col. WRIGHT. Yes, sir.

Mr. BENNET. That was all done on the same date that this paper that you produced as one of the copies of the contract was signed by the Shank Co.?

Col. WRIGHT. No, sir; the drawings were not initialed by me until later on, prior to leaving on a trip. I initialed them so that if the contracts were perfected in my absence they would be there for identification.

Mr. BENNET. You initialed all the sheets but one and signed the one sheet on which your signature appears at a later date than Mr. Shank placed his initials and signature on them?

Col. WRIGHT. That is correct.

Mr. BENNET. And there is no question of doubt that these are the plans referred to in the contract that Mr. Shank signed?

Col. WRIGHT. No, sir; that was the purpose of initialing them.

Senator HARDWICK. Do you want the contract to go in the record, Mr. Bennet?

Mr. BENNET. Yes, sir.

Col. WRIGHT. Shall I have this photostated?

Senator HARDWICK. Yes; just so we have the contract before us. Then you can take the original back, and you will send the photostatic copy to us.

Mr. BENNET. This contract contains this clause:

For lack of time said plans and specifications for the construction of the foregoing buildings and structures are not as full and detailed as they ought to be for working plans and specifications; but, notwithstanding this fact, the contracting office has directed the owner to begin immediately the work of construction, and in compliance with such direction the owner agrees to begin the work of construction immediately under the terms of this contract, without awaiting the final completion of the said plans and specifications; and the contracting officer—

That was Brig. Gen. R. C. Marshall, jr.?

Col. WRIGHT. Yes, sir.

Mr. BENNET (continuing reading):

Agrees to employ, at his own expense, an architect skilled in hospital construction to complete said plans and specifications with all reasonable dispatch, and to the satisfaction of the contracting officer.

Senator HARDWICK. You say that reads that this man Shank is to go ahead with the construction, that he agrees to do that?

Mr. BENNET. Yes. It says:

The contracting officer has directed the owner to begin immediately the work of construction.

Senator HARDWICK. I thought that was denied.

Mr. BENNET. That is in writing.

Col. WRIGHT. That, of course, is a contract that was never executed. The approval was to be received by the Secretary of War, and then this would be executed by Gen. Marshall and become effective.

Senator HARDWICK. Gen. Marshall never signed this?

Col. WRIGHT. No, sir.

Senator HARDWICK. Who signed this?

Mr. BENNET. Mr. Shank only. I will bring out just what happened.

Senator HARDWICK. Probably I am anticipating.

Mr. BENNET. No. That was a very proper question. It is extremely significant language in a contract.

Senator HARDWICK. What is bothering me is, I was wondering why these people went along and spent a million or so dollars unless they had some authority.

Mr. BENNET. I think we can demonstrate that they had a good deal of atmosphere.

Senator HARDWICK. You will want more than that, will you not?

Mr. BENNET. No. Col. Wright, do you recall that eight or nine days after that you called Mr. Erskine on the telephone, on or about September 9, and told him, in substance, that the proposition had been cleared, referring to the progress through the War Industries Board?

Col. WRIGHT. No; I do not recall ever having called Mr. Erskine on the telephone at all.

Mr. BENNET. Do you recall when you and Mr. Erskine went around Washington in his automobile?

Col. WRIGHT. Yes.

Mr. BENNET. When was that?

Col. WRIGHT. Let me refer to some of these papers to refresh my memory. [After examining papers.] Do you refer to the time Mr. Erskine asked me to go to the State, War, and Navy Building to see Secretary Baker?

Mr. BENNET. No.

Col. WRIGHT. That is the only date that is at all clear in my mind.

Mr. BENNET. Let me make a statement and see if we are alluding to the same day. Was there a day when you and Mr. Erskine went in his automobile when this occurred, first: That Mr. Erskine came to your office in the Construction Division and you told him that your statement requesting approval would be ready in a few minutes, and he waited, and in a short time the statement was brought in by your secretary, and you read it over and said you were going to get Gen. Noble's approval, his office being across the street, and that you left and returned shortly and said that Gen. Noble had approved the form of the request, which was the top paper of a bundle of an inch or an inch and a half or two inches thick, and that you then said that it required the signature in the construction division and the papers were then signed in the construction division, either by Gen. Marshall or yourself, and after that you drove over to the

State, War, and Navy Building, where additional approvals were obtained, I think from Maj. Holden, in the Real Estate Division, or some other major?

Col. WRIGHT. I recall the occasion that you speak of now. You have got it a little bit twisted, in that Gen. Noble would not put an indorsement on this letter going to the director of operations until it had been previously signed by Gen. Marshall. After that it was taken up and turned over to the office of the director of corporations. From there I had no connection with it until it came back.

Mr. BENNET. And that was the day that you and Mr. Erskine went together to the office of the director of operations?

Col. WRIGHT. Yes, sir. That was September 18, I think.

Mr. BENNET. At any rate, sometime in September?

Col. WRIGHT. September 18. The date of Gen. Noble's indorsement was brought out in the hearings yesterday by Col. Smith.

Mr. BENNET. It was a day in September, and when you got up to the office of the chief of operations—Who was that, Gen. Dervey?

Col. WRIGHT. Gen. Dervey is the director of operations.

Mr. BENNET. Was a paper signed there, also?

Col. WRIGHT. I did not stay to know. I turned it over to Col. Kellond, of the General Staff.

Mr. BENNET. What did the papers consist of that you turned over to Col. Kellond, of the General Staff?

Col. WRIGHT. It was a formal request of the Construction Division to the Secretary of War for the necessary funds to proceed with this project and to enter into the agreement, a copy of which was attached to those papers. Prior to submission of any construction project to the Secretary of War for approval it was necessary for the Construction Division to make a very complete analysis. The proposal as submitted by these gentlemen came in by what we call the back door. In other words, very few projects ever went through the Construction Division which were brought in by outside parties. It, therefore, necessitated our analyzing, first, the type of construction of the building, its cost, the cost of the real estate involved, the transportation facilities, the utilities, in the way of sewerage, water, and light that served the property, the forming of a type of agreement which could be entered into, because this we considered emergency construction work and we did not have the time to make final completed plans. Every project—not only this one, but all of them—had to be analyzed in that manner before the Secretary would consider its approval. This letter which was directed to him made this complete report, and the recommendation of the Construction Division with reference to it.

Mr. BENNET. When you used the term "by the back door" were you aware that this project had come from the Secretary of War direct, by way of Third Assistant Secretary, who, by his direction, took Mr. Erskine to the Surgeon General's Department?

Col. WRIGHT. Only by hearsay. I do not know the facts.

Senator HARDWICK. I thought it was said by you yesterday that this thing came to the Construction department from the Surgeon General's Office.

Mr. BENNET. Yes. That is why I was wondering what he meant by the "back door."

Col. WRIGHT. What I mean by that expression is that most of these projects originate directly in the bureau. This one came from outside parties, presented to the bureau, and then by us.

Mr. BENNET. But it came in regular channels from the Surgeon General's Office?

Col. WRIGHT. Yes, sir.

Mr. BENNET. Did you mean inimical by your expression "by the back door"?

Col. WRIGHT. Not in the least.

Senator HARDWICK. You meant something unusual?

Col. WRIGHT. I said that outside parties very seldom do know that the projects have to be analyzed that way before they can be presented to the Secretary of War, the Surgeon General's Office, and all the other parties.

Mr. BENNET. And this came to you from the Surgeon General's Office on the 14th of August, with the request for a construction order?

Col. WRIGHT. No, sir; it came in, brought in in person by Mr. Erskin, a letter directed to the Secretary of War by the Shank Co., in which they proposed to build on this site a 2,500-bed hospital at a cost of \$2,500,000. Attached to it was a carbon copy of an indorsement, or, rather, a memorandum, to the Secretary of War, from Gen. Noble, of the Surgeon General's Office, recommending that this be accepted by the Government.

Mr. BENNET. And it was on the recommendation of the Surgeon General's Office that your construction division proceeded with the work?

Col. WRIGHT. It was on their recommendation that we proceeded with the analysis required.

Mr. BENNET. And on the date which you fixed as the 18th of September, the contract had been drawn—and it was drawn, by the way, by Maj. Arthur A. O'Brien, of your department, was it not?

Col. WRIGHT. Yes, sir.

Mr. BENNET. What I will call the preliminary plans had been completed, the contract had been signed by the Shank Co., by its president, the plans had been initialed by him, the work had been cleared as not inimical to commerce by the War Industries Board, your request to the Secretary had been signed by Gen. Marshall, approved by Gen. Noble, and had reached the office of the Chief of Operations, where you left it in the custody of Col. Kellond, of that office?

Col. WRIGHT. Yes, sir.

Mr. BENNET. In August, 1918, was there not a good deal of demand for hospital space, anticipated demand, rather?

Col. WRIGHT. Yes, sir; there was a very large demand.

Mr. BENNET. There was a feeling that there was a possibility that our returning wounded would not find enough beds for them?

Col. WRIGHT. No, sir; I would not say that. We simply faced that problem of providing hospital beds in the same way that we have in building the cantonments and other emergency operations. We did not ever dream that we would not get the cantonments ready for the soldiers.



Mr. BENNET. But you realized that haste was essential?

Col. WRIGHT. Absolutely.

Mr. BENNET. And therefore, as rapidly as was consistent with order and due administration, you were pressing forward these hospital projects which had reached that stage of analysis?

Col. WRIGHT. Yes, sir.

Mr. BENNET. On the 30th of August, 1918, what other hospital project, if any, had reached the same stage of development in your construction as this project for the Speedway hospital had reached?

Col. WRIGHT. The project for the development of Fort Sheridan had reached the same state of progress.

Mr. BENNET. That is for the present development of 5,000 beds?

Col. WRIGHT. Yes, sir.

Mr. BENNET. It had gone through your construction division and the contract had been signed by Mr. Solat?

Col. WRIGHT. No, sir.

Mr. BENNET. No contract at all had been signed on the 30th of August for Fort Sheridan, had it?

Col. WRIGHT. No, sir.

Mr. BENNET. No lease for the Field Museum had been signed?

Col. WRIGHT. No, sir.

Mr. BENNET. No lease for the Cooper Monotah?

Col. WRIGHT. No, sir.

Mr. BENNET. The only paper that had been signed in relation to a hospital in the nature of a contract on the 30th of August was this contract which had been signed by the Shank Co.?

Col. WRIGHT. That is true. But I want to clear up one thing which may leave a wrong impression. On the type of work like Fort Sheridan Hospital, which was built under what we call our emergency form of contract, the same as the cantonments and other construction projects, that work was often started after approval by the Secretary of War by merely a telegram to the contractor to proceed, and the contract often not finally executed for some time after that.

Mr. BENNET. Very well. On the 30th of August had a telegram been sent to Mr. Solat to proceed at Fort Sheridan?

Col. WRIGHT. No, sir.

Mr. BENNET. So far as you know, had even negotiations been commenced with Mr. Solat for Fort Sheridan at that time?

Col. WRIGHT. I think probably Mr. Solat's name, together with other contractors in Chicago, was being considered at that time.

Mr. BENNET. But there had been no communication, so far as you know, between Mr. Solat and the department?

Col. WRIGHT. No, sir.

Mr. BENNET. So that the only company, contracting company or person, with whom there had been any negotiations, resulting in either a telegram from the Government or a signed contract on the 30th of August was the Shank Co., so far as you know?

Col. WRIGHT. You mean in the Chicago district?

Mr. BENNET. Yes, sir.

Col. WRIGHT. Yes, sir.

Mr. BENNET. Subsequently, as Col. Smith testified yesterday, this first proposition came back disapproved from the Secretary of War's office?

Col. WRIGHT. Yes, sir.

Mr. BENNET. This first proposition included the Long Building and six other buildings. did it not?

Col. WRIGHT. Do you want me to state that accurately by reference to the drawing? I can not recall.

Mr. BENNET. That is substantially so?

Col. WRIGHT. Yes, sir.

Mr. BENNET. About the 4th of October Mr. Shank and Mr. Hines, and if I am not correct, correct me——

Col. WRIGHT. What was the date?

Mr. BENNET. October 4.

Col. WRIGHT. October 5.

Mr. BENNET. Mr. Shank and Mr. Hines came to your office with a letter from whom?

Col. WRIGHT. I do not recall whether Mr. Hines had the letter with him, but I did get a request from the Assistant Secretary of War, signed by Mr. Hare.

Mr. BENNET. Mr. C. W. Hare?

Col. WRIGHT. Yes, sir.

Mr. BENNET. And the object was to discuss the speedway proposition in relation to a somewhat larger number of buildings; is that correct?

Col. WRIGHT. Let me explain in this way: When the first letter went up to the Secretary of War covering this agreement for two and a half million dollars that amount of money nearly covered those particular buildings. But we had also included in this request the additional buildings that would be required by the Surgeon General to make a complete hospital. This last request from Mr. Hare was that we turn over to Mr. Hines and Mr. Shank the drawings and information necessary for them to make a proposal covering the completed project.

Mr. BENNET. Mr. Shank had not been given any data as to these additional buildings when he signed the contract on August 30, had he?

Col. WRIGHT. Just what do you mean by "data"?

Mr. BENNET. Such, for instance, as these letters from your department of October 9, 10, and 11?

Col. WRIGHT. No letters exactly like that had been given to him. I believe he had made some preliminary figures on the cost of those buildings.

Mr. BENNET. But that you will not be sure about?

Col. WRIGHT. No, sir.

Mr. BENNET. And if I state to you that at that time Mr. Shank was not aware that these additional buildings were to be required you are not in a position to say that I am mistaken about that?

Col. WRIGHT. I am in a position to say that I am very sure Mr. Shank knew that these additional buildings would have to be built.

Mr. BENNET. But, waiving that point, when they came back to you on the 5th of October they were informed in some detail about these additional buildings?

Col. WRIGHT. Yes, sir.

Mr. BENNET. As to which they had never before that submitted any price or had been asked to submit any price?

Col. WRIGHT. If my recollection is correct, Mr. Erskine brought back to me at one time figures covering the cost of those buildings that were not included in the original proposal.

Mr. BENNET. Is it not a matter of fact that you submitted to Mr. Shank at different times either two or three different sets of buildings on which the Shank Co. was to figure?

Col. WRIGHT. I do not recall that. Up until the disapproval of this project the official action of the division had been entirely on the proposal of two and a half million dollars.

Mr. BENNET. Without burdening the records, there were submitted to you by the Shank Co., as a result of these conferences and as a result of the letters which you gave them, dated October 9, October 10, and October 11; first, a bid on October 9 and another bid on October 11, and, finally, a bid on October 12 which consolidated all the bids?

Col. WRIGHT (examining papers). Yes, sir.

Mr. BENNET. And that bid of October 12 proposed to furnish not only the original buildings, for which \$2,500,000 had been agreed upon as the price, but all the additional buildings, at a total price of \$3,253,475?

Col. WRIGHT. That is correct.

Mr. BENNET. There was an analysis made of these figures of October 12, was there not, by the Construction Division?

Col. WRIGHT. No, sir. The Construction Division was asked by Mr. Hare to direct a memorandum as to their opinion of this project as it stood.

Mr. BENNET. Did you do so?

Col. WRIGHT. This was done; yes, sir.

Mr. BENNET. Have you that memorandum?

Col. WRIGHT. Yes, sir. [Handing paper to Mr. Bennet.]

Mr. BENNET. Will you furnish a photostat copy of this?

Col. WRIGHT. I would rather, if you please.

Mr. BENNET. I will read this:

OCTOBER 15, 1918.

Memorandum for the Chief of the Construction Division and the Assistant Secretary of War.

Washington, D. C. Attention of Mr. Hare.

In connection with the proposal directed to the Secretary of War, and through your attention, from the Shank Co., and which was handed to you by the writer this morning, you are advised that it is the opinion of this office that the amount of this proposal is a reasonable estimate for the actual cost of the work to be done, based upon the requirements as submitted to the Shank Co. by this office. It is probable that a contingent fund should be allowed to cover the items that may develop and which can not be foreseen at this time.

2. It is believed that it would be very difficult to purchase property at some location similar to the Speedway Park and to build thereon the hospital accommodations similar to those covered by this proposal for the same amount of money. This is due largely to the fact that so many of the utilities, such as water supply, sewers, drainage, etc., is in place on the property, and that there is also on the ground a large quantity of lumber in existing structures, which can be used by the contractor in the construction of the new work.

3. It is further believed that the hospital accommodations covered by this proposal can be more quickly provided at this location than if a similar new site was selected on which there was no existing materials and in connection with which the utilities above mentioned would have to be built new.

4. This division has considered no other elements of this proposal, other than those involved in the actual construction work of building this project, together with its cost.

R. C. MARSHALL, JR.,  
*Brigadier General, U. S. A.,*  
*In Charge of Construction Division.*

By C. C. WRIGHT,  
*Lieutenant Colonel, Quartermaster Corps.*

On October 15, 1918, had the work at Fort Sheridan been started?

Col. WRIGHT. Yes, sir.

Mr. BENNET. On the remodeling of the barracks or on the new wooden construction?

Col. WRIGHT. The entire operation was authorized at the same time the remodeling of the existing barracks buildings was started first to give us time to get the materials on the ground. It involved nearly 5,000,000 feet of lumber.

Mr. BENNET. How much work would you say, offhand, had been done at Fort Sheridan on the 15th of October?

Col. WRIGHT. I should say a hundred thousand dollars' worth of work.

Mr. BENNET. On a project the cost of which will run up to approximately how much?

Col. WRIGHT. A total cost of about three million.

Mr. BENNET. Is it not more than that?

Col. WRIGHT. Not much.

Mr. BENNET. And of that \$3,000,000 worth of work only \$100,000 worth had been done at that time, about?

Col. WRIGHT. As near as I can judge.

Mr. BENNET. I am not trying to hold you down to any exact figure.

Col. WRIGHT. Approximately.

Mr. BENNET. Is the memorandum that I just read, of November 15, the last memorandum that your office made to the Secretary of War on the subject of the Speedway Hospital?

Col. WRIGHT. Yes, sir.

Mr. BENNET. Coming back to this 30th of August, were you present when the contract was signed?

Col. WRIGHT. Yes, sir.

Mr. BENNET. Who else were there?

Col. WRIGHT. May I refresh my memory?

Mr. BENNET. Certainly.

Col. WRIGHT (after examining paper). There was Mr. Erskine, Mr. Shank, Mr. Schmidt, Mr. Garden, Maj. O'Brien, and myself, as I recall it.

Mr. BENNET. Were you together any length of time?

Col. WRIGHT. For perhaps an hour.

Mr. BENNET. The usual time, I presume, that is required for bringing to that stage of completion a contract of that magnitude?

Col. WRIGHT. That is a rather hard question to answer.

Mr. BENNET. We will take your estimate of an hour. Was not Mr. Jacob Newman, of Chicago, also present?

Col. WRIGHT. I think he was, but I do not recall for sure.

Mr. BENNET. He was the attorney who had been giving his attention to the details of the contract in a legal way on behalf of the Shank Co.?

Col. WRIGHT. I never knew definitely whom Mr. Newman represented. He had been helping in preparing the contract.

Mr. BENNET. Which had been under way something around two weeks?

Col. WRIGHT. Correct.

Mr. BENNET. Where was the contract signed?

Col. WRIGHT. In my office, in the Construction Division.

Mr. BENNET. And after it was signed, did you go away from there alone or with some of the rest of the party?

Col. WRIGHT. I do not recall.

Mr. BENNET. Let me see if I can refresh your recollection. Mr. Erskine had his automobile there, did he not?

Col. WRIGHT. I can not remember that. He had it there an awful lot of times.

Mr. BENNET. A very convenient thing in Washington. And is it not a fact that Mr. Erskine and Mr. Newman and Mr. Shank and yourself went away together in Mr. Erskine's automobile?

Col. WRIGHT. I recall an occasion when we did, leaving some of the party at the Raleigh Hotel, I believe.

Mr. BENNET. That is right. You dropped either Mr. Garden or Mr. Schmidt there?

Col. WRIGHT. I think so.

Mr. BENNET. And was it not stated to you by some one of them that they were leaving immediately for Chicago?

Col. WRIGHT. The impression I had was that they were leaving for Chicago.

Mr. BENNET. Was not also the impression left upon you, by whatever was said at the conference, that they were leaving for Chicago on the part of the architects to commence getting out what are known as the detail plans of this work, and on the part of Mr. Shank to commence the construction?

Col. WRIGHT. I think the committee should understand, probably, the mental attitude that existed among the men who were interested in this matter, in that Mr. Erskine, Mr. Shank, Mr. Newman, and, for a part of the time, Mr. Garden, had gone all through these preliminary negotiations which led up to getting this contract ready for submission to the Secretary of War. I am very sure Mr. Newman, Mr. Erskine, and Mr. Schmidt understood that no work would definitely proceed without the authority of the Secretary of War.

Senator HARDWICK. Let me interrupt you right there. If that be true, if they understood that, why did they go along and spend all this money?

Col. WRIGHT. Because I think they all felt sure it would be approved. That is what I am trying to explain, that they were in an attitude of mind where they felt sure it would be approved.

Senator HARDWICK. They knew every one of these divisions had approved it, and they had no doubt of its final acceptance.

Col. WRIGHT. I would not say they had no doubt.

The CHAIRMAN. They believed?

Col. WRIGHT. They believed that on the recommendation of the Surgeon General—of the Construction Division—it probably would be approved.

Mr. BENNET. The impression left on you by the events of the day were that Mr. Shank was going to Chicago immediately in connection with the completion of the contract?

Col. WRIGHT. My impression was that Mr. Shank wished to return to Chicago, and had stated in this conference if he signed the contract then and the matter was approved by the Secretary it would be immediately executed by Gen. Marshall and forwarded to him.

Senator HARDWICK. Let me interrupt you there again. This contract states that not let the Secretary of War, but the contracting officer who signs it, direct that this work proceed. You say that writing is not the truth of the matter?

Col. WRIGHT. I do not know that I gather just what you mean.

Senator HARDWICK. This contract says:

For lack of time the said plans and specifications for the construction of the foregoing buildings and structures are not as full in detail as they ought to be for working plans and specifications, but notwithstanding this fact the contracting officer—

Who is meant by the "contracting officer"—Gen. Marshall?

Col. WRIGHT. Gen. Marshall.

Senator HARDWICK (continuing reading):

has directed the owner to begin immediately the work of construction.

You say that is not the truth?

Col. WRIGHT. No; I say he did not sign the contract.

Senator HARDWICK. Gen. Marshall never did sign this contract?

Col. WRIGHT. No, sir.

Senator HARDWICK. He never signed any contract?

Col. WRIGHT. No, sir. There was never any written communication of any kind given to the Shank Co. to proceed with that work.

Senator HARDWICK. I see. This contract is not signed by Gen. Marshall?

Col. Wright. No, sir; and never has been.

Mr. BENNET. But when Mr. Shank left to go back to Chicago, you knew it was in connection with the work of the Speedway Park project?

Col. WRIGHT. Not necessarily.

Mr. BENNET. Was not that stated by some one or other of the parties during the conferences?

Col. WRIGHT. I can not recall the exact conversation that took place, but the only two officials there who could speak for the Construction Division were Maj. O'Brien and myself, and neither of us instructed the Shank Co. to go back and start the construction of this building. It is common, if contractors are being considered on emergency construction, to take such steps as they see fit in preliminary organization. That has been done a great many time.

Mr. BENNET. It was done many times during the war, was it not?

Col. WRIGHT. Yes, sir.

Mr. BENNET. Work was even done on telephone calls, was it not?

Col. WRIGHT. No, sir. There never was any work started in the construction work that I know of except by a direct telegram from the chief of division to proceed with the work.

Mr. BENNET. But they had used telegrams without waiting for the formal contract?

Col. WRIGHT. Yes, sir; on authority of the Secretary of War.

Mr. BENNET. Certainly; and the late war being considered an emergency, this was considered a part of it?

Col. WRIGHT. I want to make it very definite that those telegrams were not sent out until the authority for the project to proceed had been officially given by the Secretary of War.

Mr. BENNET. Now, take up the case of Mr. Schmidt and Mr. Garden. They had not only been in Washington a couple of weeks, but they had had a corps of assistants working here on the preliminary plans?

Col. WRIGHT. I understand they did have; yes, sir.

Mr. BENNET. Something like ten or a dozen men?

Col. WRIGHT. I do not know that.

Mr. BENNET. And Messrs. Schmidt and Garden left for Chicago the same evening, did they not?

Col. WRIGHT. I am not sure. My recollection is that they did.

Mr. BENNET. Did you have a conversation with either Mr. Schmidt or Mr. Garden about haste in getting out the detailed drawings? And if I do not use the correct technical description of those, I would be glad if you would correct me.

Col. WRIGHT. Yes, sir.

Mr. BENNET. And did you say to them, in substance, that haste would be a very good thing in connection with getting out those detailed drawings?

Col. WRIGHT. Yes, sir.

Mr. BENNET. When and where did you state that?

Col. WRIGHT. It was at some of the conferences in my office. Mr. Schmidt was advised that if this was approved his firm would be selected as architects, and that speed was the essence of the entire matter.

Mr. BENNET. Up until the 30th of August it might have been assumed that Schmidt and Garden were in some sense the employees retained by the Shank Co. On the 30th of August, at your suggestion, or that of Maj. O'Brien, was a resolution drawn up adopted by the Shank Co. doing two things, first, ratifying the action of Mr. Shank in signing the contract, and, second, putting explicitly upon the minutes of the Shank Co. that Mr. Schmidt and Mr. Garden had ceased to represent it in any capacity?

Col. WRIGHT. That only referred to Mr. Garden, as I recall it.

Mr. BENNET. I think I have the resolution here. That resolution was dictated by Maj. O'Brien, was it not?

Col. WRIGHT. Yes, sir.

Mr. BENNET. And given by Maj. O'Brien to Mr. Shank?

Col. WRIGHT. That was not done in my presence. I do not know the history of exactly how it was done.

Mr. BENNET. What you are certain of is that it was dictated in your office, and subsequently adopted by the Shank Co., returned to your office, and you now produce it attached to the copy of the contract which you have?

Col. WRIGHT. Yes, sir.

Mr. BENNET. And that, I presume, will be included in the papers of which you are to give a photostated copy to the committee?

Col. WRIGHT. Yes, sir.

Mr. BENNET. When did you come into the Government service?

Col. WRIGHT. I was commissioned January 3, 1918, but had been in the service in a civilian capacity since October, 1917.

Mr. BENNET. You had been a practicing architect, if that is a correct term?

Col. WRIGHT. I would hardly signify myself by calling myself that. I was a member of a firm of practicing architects.

Mr. BENNET. You are a trained civil engineer?

Col. WRIGHT. I am a trained structural engineer.

Mr. BENNET. Where were you located?

Col. WRIGHT. In Chicago.

Mr. BENNET. Are you familiar with the building laws and ordinances of the city of Chicago, so far as they affect construction?

Col. WRIGHT. Yes, sir.

Mr. BENNET. You are familiar with the construction of those Fort Sheridan buildings?

Col. WRIGHT. Yes, sir.

Mr. BENNET. Would buildings such as those be permitted to be constructed within the corporate limits of Chicago by the building laws and ordinances of the city of Chicago?

Col. WRIGHT. I think within the corporate limits, but not within the fire limits.

Mr. BENNET. What is the distinction between the fire limits and the corporate limits?

Col. WRIGHT. I have been away so long now that the ordinances have changed. But as I recall there was a certain fire limit within which the ordinance applied to certain types of buildings, but outside of that there were types which were entirely different.

Mr. BENNET. Are you sure that a frame hospital of a character of the buildings that are in the Fort Sheridan wooden construction would be permitted to be constructed anywhere in the State of Illinois for a hospital?

Col. WRIGHT. Am I sure that they would be?

Mr. BENNET. Yes.

Col. WRIGHT. I am not sure about that one way or the other, because these buildings are administered entirely differently under military discipline from what they are under civilian discipline.

Mr. BENNET. I am talking about hospital buildings under civil administration.

Col. WRIGHT. I do not know of any State laws that would not permit it.

Mr. BENNET. But the ordinances of the city of Chicago would prevent such a building being erected for a civil hospital within what we will call the built-up portion of the city of Chicago?

Col. WRIGHT. Within the fire limits; yes, sir.

Mr. BENNET. Have you seen this letter from the Commissioner of Buildings of the city of Chicago?

Col. WRIGHT. No; I have not seen it.

(The letter referred to was handed to the witness.)

Mr. BENNET. I would like to offer this letter from the commissioner of buildings of the city of Chicago in evidence with relation to the Fort Sheridan buildings.



(The letter referred to is as follows:)

CHICAGO, December 21, 1918.

MR. LUCIUS TETER.

7 East Madison Street, Chicago.

DEAR SIR: In response to your recent request, as well as to the request of several other prominent business men of this city, I have visited the homes or hospitals for wounded soldiers now under construction at Fort Sheridan for the purpose of forming an opinion as to their safety from fire hazard.

I find, after a brief observation of the general construction and the material used for the erection of these buildings and the limited area of the ground they are situated on, that there exists a great fire hazard even to this extent: That if a fire occurred during a dry spell, especially if accompanied by a wind of any consequence, it would soon pass beyond control and would sweep all the structures before it. Not only that, it would create such a great volume of dense smoke that it would probably be impossible for attendants to assist patients to leave the adjoining buildings that were threatened by fire.

I further want to state that I do not feel any frame structure is reasonably safe for hospital purposes where more than one story high and more than 4,500 square feet in area and is nearer than 200 feet to any other frame building.

The reason a superior form of construction is required for hospital buildings is on account of the helpless state of the occupancy, as the greater number of occupants would be unable to leave the building without assistance.

Respectfully submitted,

CHARLES BOSTROM,

Commissioner of Buildings.

MR. BENNET. Are the wooden buildings at Fort Sheridan completed?

COL. WRIGHT. About 90 per cent.

MR. BENNET. But not yet completed?

COL. WRIGHT. Let me change that statement, to say that the reports show the entire project to be 90 per cent completed, and the wooden buildings might, perhaps, be a little more than that.

MR. BENNET. That you do not know one way or the other?

COL. WRIGHT. No. Probably about 92 or 93 per cent.

MR. BENNET. Any testimony you could give as to the date of final completion would be an estimate and not given with certain knowledge?

COL. WRIGHT. Certain of the wards are ready for occupancy now; the heat is turned on.

MR. BENNET. And other certain wards are not?

COL. WRIGHT. Yes, sir.

MR. BENNET. And when those other certain wards will be finally completed is not within your knowledge?

COL. WRIGHT. Except that our experience gives us judgment in those things, and I can state it definitely—by the 15th of February.

MR. BENNET. That is the estimate you now make, February 15, for the completion of the entire project?

COL. WRIGHT. For the hospital ready for occupancy. There are certain utilities that can not be done on account of the weather conditions.

MR. BENNET. What do you mean by "utilities"?

COL. WRIGHT. I mean if roads have to be repaired and fixed up, we would not attempt to do it when weather is bad. We would wait until spring.

MR. BENNET. Will all the sewers and everything of that kind be in by then?

Col. WRIGHT. Practically complete. There may be some few details.

Mr. BENNET. So that your sewer system will not be finally completed by the 15th of February?

Col. WRIGHT. I would not want to answer that definitely.

Mr. BENNET. You stated yesterday that the estimated cost per bed at Fort Sheridan was \$700. That does not include, first, the cost of the land, does it?

Col. WRIGHT. No, sir.

Mr. BENNET. Are you able to differentiate between the cost of the bed of converting the old Army barracks into hospitals, the cost of converting the newer buildings used for the training school of 1917 into hospitals, and the cost of the addition, per bed?

Col. WRIGHT. In the first place, the training school of 1917 is not to be used for hospital purposes.

Mr. BENNET. None of those buildings being used?

Col. WRIGHT. No, sir. Answering approximately, the new 2,500-bed addition will cost about a thousand dollars per bed; the development of the old buildings, I should say, around \$382,400.

Mr. BENNET. And the cost of the Speedway buildings, complete, taking into account Mr. Hines's salvage offer of a million two hundred thousand and some odd dollars, that would reduce the cost of those buildings to about \$753 per bed, would it not?

Col. WRIGHT. Do you want me to work that out by arithmetic?

Mr. BENNET. I will show you a letter from the Assistant Secretary of War and ask you if that is not substantially correct—\$782.90 is what he says.

Col. WRIGHT (examining letter). This letter is dated November 27. That figure, I think, is a little bit low. The cost to the Government, as I recall, ran \$1,410 per bed.

Mr. BENNET. That is what he figures.

Col. WRIGHT. He says \$1,364. I say that ran about \$1,410 instead of \$1,364, and that would increase this cost a little.

Mr. BENNET. That would be an increase of about \$50 a bed, and he figures it at \$782.90. So that your rough estimate would be that the cost per bed at the Speedway, if the Assistant Secretary of War is anywhere near correct, is \$830.90, in round numbers?

Col. WRIGHT. That is, provided the hospital is bought back by Mr. Hines on the basis of building those wood structures, which the board does not recommend.

Senator FRANCE. Will you summarize that statement? It would not appear clearly in the record. Will you summarize the conclusion which you reach as the result of the colloquy?

Mr. BENNET. I will do that even better. I will ask Col. Wright to figure that.

Col. WRIGHT. That original figure was what?

Mr. BENNET. It was \$3,253,475.

Col. WRIGHT. To that we have to add an administrative cost of, roughly estimating, \$100,000.

Mr. BENNET. Do you add your \$300,000?

Col. WRIGHT. There should be added an estimated cost of \$300,000.

Mr. BENNET. Deduct from that \$1,296,211. As an emergency proposition at the Speedway hospital the solariums, billiard rooms, and many of those things that had been planned for the greater com-

fort of the inmates could be used for beds, could they not, in the fire-proof building?

Col. WRIGHT. Do you mean the facilities provided for rest and recreation, and things of that kind, in the main building?

Mr. BENNET. In the main building.

Col. WRIGHT. Could be used for beds?

Mr. BENNET. Yes; in an emergency.

Col. WRIGHT. I think so.

Mr. BENNET. And so as a floor space proposition, in estimating cost, would it be far out of the way to estimate this as a 3,500-bed hospital, if you used it to the same extent of congestion as the Fort Sheridan Hospitals are being used at the moment?

Col. WRIGHT. I do not know just how many patients there are in the existing buildings in the Fort Sheridan Hospital. The additional 2,500-bed hospital built there has practically the same amount of utilities, operating rooms, quiet rooms, and so forth, that are designed for the Speedway Hospital.

Mr. BENNET. Then you make your computation for the moment in two ways: First, not adding the \$300,000, and also adding the \$300,000, making it clear that for an emergency hospital the \$300,000 item is not necessary? That is correct, is it not?

Col. WRIGHT. That is correct. In other words, we consider the frame buildings built in connection with the Speedway Hospital of the same character of construction as the buildings built at Fort Sheridan.

Mr. BENNET. The patients were not housed in those frame buildings at the Speedway, were they?

Col. WRIGHT. Not patients; but nurses, officers, and detachment corps.

Mr. BENNET. Yes; well people.

Col. WRIGHT. It is about \$805 per bed.

Mr. BENNET. Is that including the \$300,000 or not?

Col. WRIGHT. No, sir. But it does include the \$100,000 of administrative cost, which would come in in any case.

Mr. BENNET. But which we have not figured in any case before?

Col. WRIGHT. We have.

Senator HARDWICK. Colonel, when your department recommended this Speedway proposition, they passed on the question as to whether this was a reasonable cost or not?

Col. WRIGHT. Yes, sir.

Senator HARDWICK. And approved it as reasonable?

Col. WRIGHT. Yes, sir. There was one matter, Mr. Chairman, though, that I would like to clear up, if you will permit me, in connection with the letter submitted by Mr. Bostrom, in reference to the buildings at Fort Sheridan.

Senator HARDWICK. Certainly.

Col. WRIGHT. That is, that those buildings have been passed upon by the War Department Bureau of Fire Prevention, consisting of some of the best experts in the country, and the hospital buildings at Fort Sheridan, taking into consideration the fact that they are administered by the Army under the usual discipline, with proper guards, police, fire department, and so forth, are considered absolutely fire safe. Furthermore, that the Surgeon General advised me

that only 10 per cent of returning wounded soldiers are bed patients. So that very few of them are unable to get out themselves, and none of them are located in the second story of a building.

Mr. BENNET. I just want to make this clear, Colonel, to see if I am correct—that it would have been possible, if the Speedway project had been gone on with, to have housed patients in a fireproof hospital, constructed for hospital purposes, at a less sum per bed, taking into consideration Mr. Hines's 40 per cent offer, than the wooden hospitals are being constructed for at Fort Sheridan, referring now entirely to the new construction at Fort Sheridan?

Col. WRIGHT. You mean referring entirely to the new construction?

Mr. BENNET. Yes, sir.

Col. WRIGHT. Slightly less, yes.

Mr. BENNET. Something like, according to your figures, \$100 a bed?

Col. WRIGHT. Yes, sir.

Senator HARDWICK. If that be true, that is merely an additional reason why your department was right when you approved this?

Col. WRIGHT. Yes, sir.

Mr. BENNET. You have never doubted for a moment that you were right when you approved that?

Col. WRIGHT. No, sir. May I make a little further statement in reference to Fort Sheridan?

Senator HARDWICK. Yes.

Col. WRIGHT. To illustrate the effectiveness of the fire prevention and fire protective measures taken by the Army, I just want to make this statement, that the Army of 2,500,000 men have been trained in camps made with wooden buildings, and the hospitals in connection with them have been entirely wooden buildings. The fire losses during that period of time have been only one-sixth per capita of the same losses in civil life. In the training of that entire Army of 2,500,000 men there have been only two deaths by fire, and those were absolutely well men. To illustrate a little further, you gentlemen doubtless recall the deaths that occurred during the Army in the Spanish War due to disease caused by insanitary conditions. The records show that there has never been a single case due to insanitary conditions. The same men who had charge of the designing of those base hospitals are now in charge of the designing of hospitals similar to Fort Sheridan.

Mr. BENNET. I thank you very much, Colonel.

Senator HARDWICK. Colonel, is there any further statement you care to make for the department about this matter?

Col. WRIGHT. There is only one other matter I would like to bring in, and that is that two or three days after the conference that Mr. Bennet has referred to in my office Mr. Erskine came into my office and advised me that the Shank Co. were proceeding with the construction work at the Speedway.

Senator HARDWICK. What date was that?

Col. WRIGHT. Two or three days after.

Senator HARDWICK. Locate that in months.

Col. WRIGHT. It would be the first few days in September.

Senator HARDWICK. Early in September?

Col. WRIGHT. Yes, sir.

Senator HARDWICK. Mr. Erskine, you say, came into your office?

Col. WRIGHT. Yes; and advised me of that. I told him that I could not stop them from going ahead, but if they did, it was entirely on their own responsibility, and he advised me that they hoped the approval would come through in the next week, and that they had decided to go ahead, and that whatever expense was incurred they would split 50-50. Whom he represented or what he meant by that, I do not know, but that is an actual occurrence.

Mr. BENNET. Just one other question. Did Secretary Crowell appoint Col. Starrett some time in September to go out and look at this building?

Col. WRIGHT. Col. Starrett actually did go under orders from the War Department.

Mr. BENNET. Did you accompany him?

Col. WRIGHT. Yes, sir.

Mr. BENNET. And about when was that?

Col. WRIGHT. I think about the 26th of September.

Mr. BENNET. 1918?

Col. WRIGHT. Yes, sir.

Mr. BENNET. Did you go out to the buildings?

Col. WRIGHT. Yes, sir.

Mr. BENNET. And men were working there then, were they not?

Col. WRIGHT. Yes, sir.

Mr. BENNET. Did Col. Starrett make a report to the War Department?

Col. WRIGHT. I do not know; I never saw it.

Mr. BENNET. Would that be in the records of the construction division?

Col. WRIGHT. No, sir.

Mr. BENNET. You say you have never seen the report?

Col. WRIGHT. No, sir.

Mr. BENNET. What was your official connection with that inspection?

Col. WRIGHT. I was directed by the Chief of the Construction Division to proceed from Camp Knox, where I was on temporary duty, to Chicago and meet Col. Starrett in connection with this matter.

Mr. BENNET. Where is Col. Starrett, and what are his initials?

Col. WRIGHT. Col. W. A. Starrett, chairman of the emergency construction committee, Council of National Defense.

Mr. BENNET. Here at Washington?

Col. WRIGHT. Yes, sir.

Mr. BENNET. And is he still in Washington and still in the Government service?

Col. WRIGHT. So far as I know.

Mr. BENNET. And you do not know of your own knowledge what he reported?

Col. WRIGHT. No; I do not.

Senator HARDWICK. He did not make his report to the War Department?

Col. WRIGHT. To the War Department, but not to the Construction Division.

Senator HARDWICK. The only papers you have brought us, then, are from the Construction Bureau of the War Department?

Col. WRIGHT. Yes, sir; that is all.

Mr. BENNET. The consolidated proposal of October 12 covered items of plumbing, heating, and lighting for this Speedway project, did it not?

Col. WRIGHT. My recollection is that they covered everything complete, with the exception of the equipment that is installed by the Surgeon General's Office.

Mr. BENNET. And which is installed by the Surgeon General's Department in all hospitals?

Col. WRIGHT. Yes, sir.

Mr. BENNET. So that in all essential details this was a complete proposition?

Col. WRIGHT. Complete in accordance with their requirements.

Senator HARDWICK. Where is the Stotesbury report?

Col. WRIGHT. That is in the records of the Secretary of War.

Senator HARDWICK. Of the Assistant Secretary or the Secretary—which?

Col. WRIGHT. Either one. It is made by the Inspector General.

Senator HARDWICK. That would be in the Inspector General's division, would it not?

Col. WRIGHT. There are undoubtedly copies there; yes, sir.

Senator HARDWICK. So far we have only heard officers of the Government, generally, in relation to hospital matters, and in no case have we yet required them to testify under oath, because they were public officials. It strikes me that in this particular matter, involving character and reputation, and charges of all sorts, the ordinary witnesses ought to be under oath. We have the authority. If you gentlemen agree with me, we will put the balance of the witnesses under oath.

**CONRAD H. POPPENHUSEN, 11 SOUTH LA SALLE STREET,  
CHICAGO, ILL.**

(The witness was sworn by the chairman.)

Senator HARDWICK. State your full name and your residence and your official connection.

Mr. POPPENHUSEN. My name is Conrad Poppenhusen; my address is 11 South La Salle Street, Chicago, Ill. I am a member of the firm of Newman, Poppenhusen, Sterne & Johnston.

Mr. BENNET. Mr. Poppenhusen, the Mr. Newman of your firm is Mr. Jacob Newman, is he not?

Mr. POPPENHUSEN. Yes.

Mr. BENNET. The same gentleman who has been mentioned in the testimony you have heard this morning?

Mr. POPPENHUSEN. Yes.

Mr. BENNET. Your firm has been attorneys for Mr. Edward Hines and the Edward Hines Lumber Co. for a considerable number of years, has it not?

Mr. POPPENHUSEN. For some considerable time; I do not know just how long. Mr. Newman has been, I think, for quite a number of years.

Mr. BENNET. And on November 27, 1918, were you in the city of Washington, and did you make any call on any officer of the Govern-

ment in relation to the Speedway Hospital project which has been mentioned here?

Mr. POPPENHUSEN. I did.

Mr. BENNET. On whom?

Mr. POPPENHUSEN. On the Hon. Mr. Crowell, I think the First Assistant Secretary of War.

Mr. BENNET. Benedict Crowell?

Mr. POPPENHUSEN. Benedict Crowell, yes; pursuant to an appointment that had been arranged for by Senator McCormick, of Illinois.

Mr. BENNET. Representative Medill McCormick, of the House who has been elected to the Senate?

Mr. POPPENHUSEN. Yes; Representative McCormick.

Mr. BENNET. Was there anyone else in the party with you?

Mr. POPPENHUSEN. I think Father Shannon was there, of Chicago.

Mr. BENNET. And, of course, the Assistant Secretary?

Mr. POPPENHUSEN. Yes; the First Assistant Secretary, Mr. Crowell.

Mr. BENNET. I will ask you rather a leading question. Did any member of your party, after the preliminary greetings and the necessary introductions, ask Assistant Secretary Crowell why the Speedway project had been disapproved?

Mr. POPPENHUSEN. Yes. The purpose of the visit was this—

Senator HARDWICK. What was the date of this visit?

Mr. POPPENHUSEN. November 26. Mr. McCormick stated to Mr. Crowell, after introducing us, that he promised to bring me up there. He said he did not know anything about the project, but had promised to bring me up there to see if we could not obtain from him why this thing was held up, and Mr. Crowell said he was able to answer that and he did answer it very quickly. He said the medical staff had disapproved the site, that the bid of the Shank Co. was incomplete, and if it was considered as a complete bid, that the cost, the relative cost, per bed was considerably in excess of the cost of the project that was then going on at Fort Sheridan, and they had gone on with the Fort Sheridan matter, taken up the Fort Sheridan matter, because of that difference in cost. He said that to mention only a few important items that were left out, plumbing, heating, and some other things that he did not know that had been omitted. He also gave me the figures of the relative cost per bed of the speedway, or, as he called it, the Maywood Hospital, in comparison with Fort Sheridan, which I now have not with entire accuracy in my mind. But it was quite a substantial difference in favor of Fort Sheridan. I told Mr. Crowell that I could not understand it, it could not be possible that his statement could be correct, because the bid appeared to be a complete bid, though I was not an engineer, I was just a layman. I did not have the bid with me. Mr. Crowell said he had been in a similar line of business to what the Shank Co. are engaged in, engineering business, and he had given the matter personal attention, and was speaking from personal knowledge. The interview was not very long. He said that if I had anything to submit, he would be very glad to make such further investigation and advise me. As the result of that interview I wrote a letter, of which Mr. Bennet has a copy, and he also has Mr. Crowell's reply.

Mr. BENNET. What did he say in that interview about the approval or disapproval of the medical staff?

Mr. POPPENHUSEN. He simply made the statement that the site had been disapproved by the medical staff, and I told him that there must be a mistake about that, because as I understood it the medical staff had approved the site.

Senator HARDWICK. Do you mean by the "medical staff" the Surgeon General's office?

Mr. POPPENHUSEN. He used the words "medical staff," Mr. Chairman.

Senator HARDWICK. You did not know which it was?

Mr. POPPENHUSEN. I did not know which. He said "medical staff."

Mr. BENNET. So, to sum up, the Assistant Secretary told you, on the 26th day of November, first, that he was a practical man and a contractor himself: that he had given this matter his personal attention, and was familiar with it—

Mr. POPPENHUSEN. He did not say he was a practical man. He said he was in the same line of business, and that he had gone over this thing himself.

Mr. BENNET. That the Speedway proposition had been rejected for at least three reasons that he could recall: First, that the proposition of the Shank Co. did not include any estimates for plumbing, heating, lighting, and possibly other things?

Mr. POPPENHUSEN. Yes.

Mr. BENNET. Second, that the site had been disapproved by the medical staff; and, third, some figures as to comparative cost, which you do not now recall. Is that correct?

Mr. POPPENHUSEN. Yes. We also had some discussion. I told him I understood that it would not be possible to make an accurate comparison—in fact, to make any comparison—between the relative costs per bed at Fort Sheridan, with the Maywood Hospital—he called the Speedway the Maywood Hospital—because, as I understood it, they had no fixed price; the work was being carried on on a cost-plus basis, and therefore I felt that the best he could say was, that, according to the estimates, that difference existed. I also called his attention to the fact that obviously if credit was given, should the Government exercise its option requiring Mr. Hines to repurchase, that the cost of Maywood would be very largely reduced, and, according to the figures that had been given me, that would make the cost of the Maywood proposition, which was a complete fireproof hospital, less than the Fort Sheridan project. Mr. Crowell said that he had considered that.

Senator HARDWICK. What was the date of this decision of Mr. Crowell's of which you are complaining?

Mr. BENNET. October 24.

Mr. POPPENHUSEN. I do not know anything about it. The only time I had any connection with it here in Washington was at that one interview, as a result of which I wrote Mr. Crowell and got a reply.

Mr. BENNET. And you wrote this letter, which I have shown you, and subsequently a reply was received, which I hold in my hand?

Mr. POPPENHUSEN. Yes. That is a carbon of the letter which I sent him.

Mr. BENNET. May I furnish copies of these for the record?



Senator HARDWICK. Yes. I suppose there is no objection to it. Of course, we will have to have Mr. Crowell here.

Mr. POPPENHUSEN. Of course, the purpose of my visit there was to find out why this thing had been disapproved.

Senator FRANCE. And you were told that the medical staff had advised against the project?

Mr. POPPENHUSEN. Yes.

Senator FRANCE. Was the statement made as to the date when the medical staff had advised against the project?

Mr. POPPENHUSEN. Nothing was said about it.

Senator FRANCE. Nothing was said to indicate how long before the medical staff had condemned the project?

Mr. POPPENHUSEN. No; it was not discussed. He made the statement. He says in his reply to me, in the opening part, that the statement I had from the Shank Co. differs in certain material facts from the statements which he made to me at the interview.

Mr. BENNET. Suppose you read your letter, and the answer.

(The witness here read the letter referred to, as follows:)

NOVEMBER 27, 1918.

HON. BENEDICT CROWELL,

*Assistant Secretary of War, Washington, D. C.*

MY DEAR MR. CROWELL: At the conference participated in by Congressman McCormick, held yesterday, your statements--

(a) Of the comparative cost per bed as between the Maywood and Fort Sheridan projects;

(b) Of the disapproval of the Maywood site by the medical staff;

(c) Of the fact that the Shank Co. bid was incomplete in that it omitted (to mention some of the important items) plumbing, heating, and lighting; caused me the greatest surprise, which I could but emphasize by the statement that a terrible mistake evidently had been somewhere made by somebody. You replied that the subject had received your personal attention and that you knew the facts.

I should not now pursue the subject but for your very courteous and pressing invitation to call on you for details supporting the disapproval of the Maywood Hospital project. In writing these lines, I am therefore not presuming on your time. I have from the Shank Co. the following:

(1) A copy of their proposal dated October 12, 1918, the original of which is in the files of the War Department, which clearly indicates that the bid as made includes heating, plumbing, and electric service according to requirements. As a layman it appears to me from a reading of the proposal that nothing is omitted required or necessary for a complete fireproof hospital.

(2) If the medical staff disapproved of the site, I am persuaded by the Shank Co. that such disapproval was never made known to them after signing the contract of August 30, 1918; in fact, they say they were led to believe that such staff had approved the site.

(3) Confirming information reaching me from Chicago to-day is to the effect that the department has no firm fixed-price bid for the work at Fort Sheridan, which is being undertaken on a cost-plus basis. No present accurate comparison of the cost per bed is therefore possible at the present time. No doubt the cost per bed at Maywood--if the Shank Co. bid is complete, which a mere reading demonstrates--is much less than \$1,000 per bed, even though the capacity may be limited to 2,500 beds, and less than \$600 per bed if full capacity of 3,300 beds, on the same basis of air space as at Fort Sheridan, is utilized.

The available square-foot area, all in favor of Maywood, is of course not conclusive, as plans indicate the devotion at Maywood of much space to recreation and other than strictly hospital purposes.

As I am obliged to leave for Chicago to-day, I thought I would submit to you promptly this statement for such further investigation and verification by you as you see fit, as it seems to me from such knowledge as I have acquired a great injury may be done.

Respectfully, yours,

C. H. POPPENHUSEN.

WAR DEPARTMENT,  
OFFICE OF THE ASSISTANT SECRETARY,  
Washington, D. C., November 27, 1918.

Mr. C. H. POPPENHUSEN.

*The New Willard Hotel, Washington, D. C.*

DEAR SIR: I have your letter of the 27th instant, and note that the statement you have from the Shank Co. differs in certain material facts from the statement which I made to you at our interview on the 26th instant.

Under the original proposition the cost of the Speedway Park hospital project amounted to \$3,410,000, or for 2,500 beds at a cost per bed of \$1,364. The hospital at Fort Sheridan was to cost \$700 per bed for 5,000 beds.

When original proposition submitted by Shank & Co. was declined by the War Department they submitted a new proposition containing a repurchase clause at the end of a five-year period, which brought the cost per bed down to \$782.90, or a cost per bed per year of \$156.60, as against a cost per bed per year at Fort Sheridan of \$70.

The statement that members of the medical staff disapproved of the site is correct, as is also the statement that the Shank Co.'s bid was incomplete, as it did not take into account the buildings necessary for housing the nurses and other personnel required by the hospital. These items amounted to over \$900,000, in addition to the original bid of \$2,500,000 by the Shank Co. for a complete hospital of 2,500 beds.

Yours, very truly,

BENEDICT CROWELL,  
*Assistant Secretary of War.*

Mr. BENNET. May I ask Col. Wright a question right where he is sitting?

Senator HARDWICK. Yes.

Mr. BENNET. Col. Wright, did the consolidated bid of October 12 made by the Shank Co. take into account the buildings necessary for housing the nurses and other personnel required by the hospital?

Col. WRIGHT. Yes, sir.

Senator HARDWICK. Mr. Bennet, what is the object of this sort of testimony?

Mr. BENNET. We have demonstrated one or two things: First, that every department that has come before you has thoroughly approved the Speedway project. It was killed in the office of Assistant Secretary Crowell.

Senator HARDWICK. Do you want to show by this witness what reasons he gave for disapproving it and that they are incorrect?

Mr. BENNET. That they are not true.

Senator HARDWICK. All right.

Mr. BENNET. I am through with that branch by this witness. Mr. Poppenhusen, are you acquainted with Mr. Milton J. Trainer, of Chicago?

Mr. POPPENHUSEN. Yes.

Mr. BENNET. Is Mr. Trainer in the room?

Mr. POPPENHUSEN. Yes.

Mr. BENNET. Do you remember an occasion, or occasions, when he was in the office of Newman, Sterne & Poppenhusen, in Chicago, in the summer of 1918?

Mr. POPPENHUSEN. Yes; during the course of a week or 10 days the last of June or the first of July he was there three or four times, I should say.

Mr. BENNET. Were you present at a conversation between him and your partner, Mr. Newman?

Mr. POPPENHUSEN. Yes.

Mr. BENNET. Just state to the committee what you heard said between Mr. Newman and Mr. Trainer at that time.

Mr. POPPENHUSEN. Which conversation? We had a number.

Mr. BENNET. If there was more than one, give them in sequence, the first conversation, and so on, and fix the date as nearly as you can.

Senator HARDWICK. Just confine it to this Speedway project.

Mr. POPPENHUSEN. I can not recall exactly the circumstances when we had the first talk together, but it was at our office. I think Mr. Shank was there, and this architect, Mr. Wheelock, and I think it was during the last week in June. We were talking generally about how best to present this matter in Washington. Mr. Trainer had a number of suggestions to make—

Senator HARDWICK. Was Mr. Trainer then holding himself out to be an employee of the Government—connected with the Government in any way?

Mr. POPPENHUSEN. I do not think he said anything about that. I understood that he was.

Senator HARDWICK. At that time?

Mr. POPPENHUSEN. I understood that he was at that time. Whether I was correct about that at that time, I do not know. He suggested that it would have to be presented differently from what he had been presented; it required a more complete representation, with different sort of plans, etc., and he made some suggestions as to how that might be done. Then we had one interview at my office, at which Mr. Newman was present, in which Mr. Trainer said that there ought not to be any misunderstanding in the future about any commission he was entitled to.

Senator HARDWICK. Any commission he was entitled to?

Mr. POPPENHUSEN. Any commission, or a right to claim any commission.

Senator HARDWICK. Had you agreed to give him any commission on this project?

Mr. POPPENHUSEN. Never discussed it with him at all. Then Mr. Newman asked him whether he was in the Government employ—

Senator BECKHAM. Was this the second interview you had with him or the first?

Mr. POPPENHUSEN. It was not the first. He had been there at the office. Mr. Newman asked him whether he was a Government officer, and he said he was, and then he told him what the provisions were.

Senator HARDWICK. Do you mean of the law?

Mr. POPPENHUSEN. Of the law, yes; and Mr. Trainer tried to explain its position. Mr. Newman would not allow him to make any explanation. He said he thought that anybody who was going to be promised any money or receive any money or expect any money, he would not have anything to do with it, and he would not allow Mr. Hines to have anything to do with it. He was quite emphatic about it, and when Mr. Newman finished Mr. Trainer said that he thought he was in no way disqualified, that he had not taken his oath of office, and he felt he was under no disability for that reason to discuss it. Mr. Newman told him that as he looked at it it did not make any difference if he subsequently entered the employ of the Government, particularly if he was going to be affiliated with a department that was going to have something to say about it. Thereupon Mr. Trainer said that he was not a lawyer. He said we were

lawyers, and he supposed we were right, and he said he would simply have to increase unexpectedly his donation to the Government; that he donated his services to the Government at a dollar a year because he wanted to be of service, and he had cheerfully donated whatever other claims he might have that might arise out of the matter, and he seemed to be entirely satisfied with the conclusions that were expressed. Then, later, either the same day or the following day, his partner came in, Mr. Clark. I think Mr. Trainer was with him—

Senator HARDWICK. Let me interrupt you. Did Mr. Trainer name any sum he expected to receive?

Mr. POPPENHUSEN. There was nothing said in my presence; no.

Senator HARDWICK. He just spoke in a general way about the commission that he thought he ought to get out of this matter?

Mr. POPPENHUSEN. There was very little said by Mr. Trainer, because Mr. Newman jumped right in.

Senator HARDWICK. Go back over that again. Some of my colleagues—and I know myself—have not a very clear understanding of exactly what he did say.

Senator FRANCE. We want to know exactly how the whole question of a commission came up.

Senator HARDWICK. Who brought that up, and what was said about it.

Mr. POPPENHUSEN. Mr. Trainer brought it up. I do not know that I can give you the exact wording, but he said in substance that there ought not to be any misunderstanding in the future about any commissions; if any commissions were going to be paid, that ought to be settled now. Mr. Newman asked him if he was in the Government employ and he said he was, or he asked him whether he was a Government officer, and then he said that it was impossible; told him what the provisions of the law were, and Mr. Trainer tried to get an opportunity to state. When Mr. Newman finished Mr. Trainer said he supposed we were right; he was not a lawyer, but we were lawyers, and he supposed we were right. He did not believe that he was disqualified in any way to talk about this matter, because he had not yet taken his oath of office—this was some time before—but we told him that made no difference, and he said all right, "I will simply have to consider, then, that I am making a donation greater than and unexpectedly than I thought I was going to make."

Senator FRANCE. Did Mr. Trainer make any statement to you which would establish any right of his to a commission if he had not been an employee of the Government; that is to say, had he been connected with the transaction as a real estate man in any way?

Mr. POPPENHUSEN. I do not know anything about that, Senator.

Senator HARDWICK. Did he make any such claim as that?

Mr. POPPENHUSEN. I do not know whether he made it specifically.

Senator BECKHAM. Upon what did he base any claim to a possible commission?

Mr. POPPENHUSEN. There was not anything said, but when we finished he said, "It is all right. I suppose you are right," and he said, "I will just simply be making that much of a donation in addition to what I thought." That led me to believe, not from anything that was directly said, that he had something to do with it, but what he had to do with it, I do not know.

Senator BECKHAM. Were you in the room when he first came in?

Mr. POPPENHUSEN. I think I was. I could not say.

Senator BECKHAM. Were you in there when this subject was first brought up and discussed?

Mr. POPPENHUSEN. I think so.

Senator BECKHAM. Do you remember just what started the discussion, how Mr. Trainer explained any interest in it, or connection with it?

Senator HARDWICK. How did he get into it?

Mr. POPPENHUSEN. I do not know. I know there had been meetings prior to that time at our office at which Trainer was present, and at which Mr. Shank was present, and at which Mr. Shank's architect, Mr. Wheelock, was present, and there were also subsequent meetings at our office after this. I was not in the room all the time, but there were quite a large number of persons there. I think Mr. Erskine was there also. I know Mr. Foster was there, and Mr. Trainer was there, in which this entire matter was discussed.

Senator HARDWICK. You mean the Speedway project?

Mr. POPPENHUSEN. Yes; and how it should be presented so it would receive some consideration; and I remember at that meeting Mr. Trainer referred to the proposal that he said had been made, and I think also had not received approval down here, made by Mr. Ogden Armour, and some other wealthy Chicagoan, to donate a million dollars toward a Government hospital project if it was built on a certain site on the ball park in Chicago, on the west side, and which money, I understand, was offered on condition, as I remember it, that at the close of the war the Government would agree, in consideration of this donation, should turn the hospital and the land over to two universities. I know Mr. Trainer said that that project had received, among other approvals, the approval of Dr. Frank Billings, who was then, I think, a colonel here in the Surgeon General's office.

Senator FRANCE. Going back to this first meeting, at which this subject of the Speedway Hospital was discussed, could you give us the reasons for the presence of these various men at that meeting? Of course, Mr. Shank represented the construction company, and Mr. Foster—who was he?

Mr. POPPENHUSEN. Mr. Shank's partner.

Senator FRANCE. Will you name the other gentlemen who were present?

Mr. POPPENHUSEN. Mr. Wheelock was present. He was Mr. Shank's architect. Mr. Erskine was present.

Senator FRANCE. Whom did he represent?

Mr. POPPENHUSEN. I think he had been requested by Mr. Newman to help get certain information, and see various department heads here in Washington.

Senator HARDWICK. In behalf of whom?

Mr. POPPENHUSEN. You might say in behalf of Mr. Newman, or in behalf of Edward Hines.

Senator HARDWICK. In other words, in behalf of the project?

Mr. POPPENHUSEN. Yes; in behalf of the project.

Senator FRANCE. He was acting as an intermediary between those interested in the project and the Government here at Washington, so to speak?

Mr. POPPENHUSEN. I should judge so.

Senator FRANCE. That is very clear. Who else was there?

Mr. POPPENHUSEN. Mr. Newman was there.

Senator FRANCE. Mr. Newman, of course. His connection with it is clear.

Mr. POPPENHUSEN. I was there, in and out of the room. I do not believe there was anyone there representing Mr. Hines or Mr. Hines's company.

Senator FRANCE. Were any others present? Mr. Trainer, you say, was there?

Mr. POPPENHUSEN. You are referring, now, to the last interview?

Senator FRANCE. I am referring to the first meeting which you had and at which you discussed this question, at which meeting I understood Mr. Trainer was present?

Mr. POPPENHUSEN. I do not believe there was anyone else present at that meeting.

Senator FRANCE. Then you had a subsequent meeting at which the same gentlemen were present?

Mr. POPPENHUSEN. Yes; at least one other, and possibly two other meetings.

Senator FRANCE. And the same men were present at the second meeting?

Mr. POPPENHUSEN. I do not know whether Mr. Erskine was there at any except the last meeting, and I do not know whether both Mr. Shank and Mr. Foster were present at all the meetings. I think Mr. Wheelock was there.

Senator FRANCE. What I am trying to bring out is this. I am trying to bring out the fact that Mr. Trainer appeared at one of these meetings which was held to discuss this project, and I am trying to bring out the reasons for his appearance. It would seem quite strange to us that a conference of men interested in a certain project should be held, and that suddenly a stranger should walk in who was unknown to the parties there, without any explanation as to why he had come, and as to whom he represented.

Senator HARDWICK. And what his connection with the matter was.

Senator FRANCE. Why might not any man in Chicago have walked in? Certainly his appearance must have been accompanied by some explanation as to his connection with the project, or of his interest in it. That is what we want to bring out.

Mr. POPPENHUSEN. I do not believe I can give you any information about that.

Senator HARDWICK. Mr. Newman might be able to tell us about that.

Mr. POPPENHUSEN. Or Mr. Shank. He may have been sent for.

Senator HARDWICK. You do not know?

Mr. POPPENHUSEN. I do not know.

Mr. BENNET. Were you present at any conference or interview between your partner and Mr. Clark, who you were told was the partner of Mr. Trainer?

Mr. POPPENHUSEN. Yes.

Mr. BENNET. When did that occur with reference to the conversation of which Mr. Trainer spoke about commissions?

Mr. POPPENHUSEN. I think that was on the same day, soon after we had talked. Mr. Clark came in. I think Mr. Trainer was with him, although I am not sure.

Mr. BENNET. What did Mr. Clark say to Mr. Newman and what did Mr. Newman say to Mr. Clark while you were there?

Mr. POPPENHUSEN. He wanted to know if any arrangement could be made with him.

Mr. BENNET. When you say "he" you mean Clark?

Mr. POPPENHUSEN. Mr. Clark. Mr. Newman asked him if he and Mr. Trainer were partners and were going to continue to be partners. He said yes. Mr. Newman said that would not make any difference. That was a very short interview.

Senator HARDWICK. You mean that same afternoon Clark came there and said he was Trainer's partner and he wanted to know if he could not get a commission?

Mr. POPPENHUSEN. Yes.

Senator HARDWICK. Mr. Newman told him that under the law it did not make any difference, he could not pay him any commission.

Mr. POPPENHUSEN. Yes.

Senator FRANCE. Had this firm or Clark and Trainer been engaged in the real estate business to your knowledge prior to that time?

Mr. POPPENHUSEN. Yes; they had been there a good many years.

Senator HARDWICK. Are they in that business together yet?

Mr. POPPENHUSEN. I could not tell you that. I do not know.

Mr. BENNET. Was not one of the questions that Mr. Newman asked of Mr. Clark whether the firm had been dissolved?

Mr. POPPENHUSEN. Yes. You see, that was before Mr. Trainer was really in the employ of the Government. He had not taken his oath of office. He was doing something for the Government, though. I do not know what it was.

Mr. BENNET. He was engaged on Government business, as you understood it?

Mr. POPPENHUSEN. I understood it so.

Mr. BENNET. Was not Mr. Newman rather emphatic with him?

Mr. POPPENHUSEN. Very.

Mr. BENNET. Did he not call his attention to the provisions of the Penal Code about Government officials taking money in connection with propositions in which they were interested?

Mr. POPPENHUSEN. Yes.

Mr. BENNET. And did he not say something of the same character, although very briefly, with Mr. Clark?

Mr. POPPENHUSEN. Yes; it was very brief. I think Mr. Trainer had in mind—at least, that was the impression that was left on my mind—that if he had been, before he had anything to do with the Government, the cause of bringing people together, he would be entitled to a commission, and I know there was something said also at that meeting about the clauses that the Government put into contracts—I think it has been put into all contracts—invalidating contracts if commissions are paid, and containing a representation that no commission and no contingent compensation is going to be paid to anybody. I think that was also referred to.

Mr. BENNET. Was that made very clear to both Mr. Trainer and Mr. Clark, that, no matter what they did in connection with the enterprise, neither Mr. Trainer individually nor the firm, or Clark & Trainer, or Trainer & Clark, or Mr. Clark individually, could receive any commissions or compensation, in any way, shape, or manner, in connection with this speedway project?

Mr. POPPENHUSEN. That is correct.

Senator HARDWICK. Mr. Trainer is here.

Mr. TRAINER. I would like to have the opportunity of having my counsel interrogate Mr. Poppenhusen. I expect him this evening. I have word from him that he will be here late this evening.

Senator HARDWICK. Very well. As I told you yesterday afternoon, after conference with the committee, you might have a transcript of your testimony, if it is available, just as soon as the reporters furnish it to us. Of course, we can not give it until they furnish it.

Mr. TRAINER. I mean if I might have permission to have it.

Senator HARDWICK. Of course you can have it. If any of the witnesses have concluded their testimony and you want to have them cross-examined, we will recall them.

Mr. POPPENHUSEN. If I could get away to-day, I would like it very much.

Senator HARDWICK. You can see the manifest injustice of not giving Mr. Trainer an opportunity to cross-examine if he wants it.

Mr. POPPENHUSEN. I appreciate that very much. I was only going to say this: I do not know how long you are going to continue. This is a pretty bad month for lawyers in Chicago, because we have so many annual meetings to take care of, and it has been very difficult for me to get away, and I have a very important matter on Monday that I would like to have a little time of paying some attention to to-morrow.

Senator BECKHAM. When will your counsel be here, Mr. Trainer?

Mr. TRAINER. I have a telegram that he will be here at 10.30.

Mr. POPPENHUSEN. I could come back after Monday, if that was desired, and possibly it would be better.

Senator HARDWICK. If your business is such that you have to go back, you may have to come back, if they want to cross-examine you, because we are bound to give Mr. Trainer the same privilege we would allow Mr. Bennet.

Mr. POPPENHUSEN. I will do that.

Senator HARDWICK. You can go back to Chicago, then, with that understanding, that if his counsel requests it when he comes here you will have to return. If you wait over until morning, and he is here, we will submit that question to him at once as to whether he wants to ask any questions on cross-examination.

Mr. BENNET. I would like to ask one more question. Mr. Poppenhusen, did Mr. Newman say to Mr. Trainer at that interview, in substance, that if he heard of any commissions being paid to Mr. Trainer or any other Government employee that he, Mr. Newman, would be the first man to inform the Government of any such fact?

Mr. POPPENHUSEN. Yes; and he said he would not allow Mr. Hines to have anything to do with the matter.

Senator HARDWICK. If that were to be done, he would not allow Mr. Hines to have anything to do with it?

Mr. POPPENHUSEN. If anybody expected any money or was promised any money or was to be paid any money.

(Thereupon, at 1.45 o'clock p. m., the subcommittee adjourned until to-morrow, Saturday, January 25, 1919, at 10.30 o'clock a. m.)





## MILITARY HOSPITALS.

SATURDAY, JANUARY 25, 1919.

UNITED STATES SENATE,  
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS,  
*Washington, D. C.*

The subcommittee met, pursuant to adjournment, in the committee room in the Capitol, at 10.50 a. m., Senator Thomas W. Hardwick presiding.

Present: Senators Hardwick (acting chairman), Beckham, France, and Lenroot.

Senator HARDWICK. You asked yesterday to have your case continued until your counsel arrived, Mr. Trainer.

### TESTIMONY OF MR. E. D. ADCOCK, COUNSEL FOR MR. J. MILTON TRAINER.

(The witness was sworn by the chairman.)

Mr. ADCOCK. I would like the indulgence of the committee and that this matter be postponed until Monday morning, and I would have an opportunity to familiarize myself with the facts.

Senator HARDWICK. Your residence?

Mr. ADCOCK. Chicago, Ill.

Senator HARDWICK. You are Mr. Trainer's attorney in this matter?

Mr. ADCOCK. I am here representing Mr. Trainer; but I want to say this, that Mr. Levi Mayer and Mr. Austrian were desired by Mr. Trainer to represent him. Mr. Mayer has been engaged in the packers' case, and Mr. Austrian is engaged in the trial of a case in Chicago, and it is impossible for them to be present.

Senator HARDWICK. Are you from their office?

Mr. ADCOCK. No; my firm is a different firm. I am asking that the matter go over until Monday so that I will have an opportunity to go into it. My train got in late last night. It was due to arrive at 10.25 but was late. I knew nothing about these matters when I was asked to be here this morning. That was night before last. I was asked to come about an hour and a half before the train left at 9.15. I had to go home and get some clothes and other things so that I could get down here. I had a short talk with Mr. Mayer for a few minutes and with Mr. Clark, Mr. Trainer's partner. On the train I could not do any work yesterday. I had an opportunity to talk with Mr. Mayer for a few minutes at the breakfast table this morning and I am asking this because I appreciate the responsibility. I feel that the charges are serious charges and that they are made against a man who is innocent of any wrong doing. I have known Mr.

Trainer for a great number of years. I know that he has been in the real estate business in Chicago for years. I never heard any statements against his reputation for integrity and honesty before. I know that he has had to do with large matters in real estate transactions. He has been in the real estate department here and has handled various matters in acquiring property for the ordnance as well as the hospital division and I understand this matter has been investigated by the Inspector General of the Army and that a report has been made exonerating him of the charges that have been made.

I have not had an opportunity to see the report, or an opportunity to examine the transcript of the testimony taken up to date, and I feel that the charges were made deliberately without any regard to truthfulness or have been made recklessly. I can not imagine charges of that kind being made without full investigation by the man that pretends to make them.

In connection with my little talk with Mr. Mayer this morning, I feel that there may be disclosures made here that will equal some of the startling things brought out in the Lorimer investigation. I understand that Mr. Hines in that matter occupied a very prominent position. I am a citizen of Chicago and know some things that grew out of that. I know Mr. Hines's connection with it. The progress there was similar.

Senator HARDWICK. I do not think it is hardly proper to go into that.

Mr. ADCOCK. I am just stating the circumstances, and I would like for the reason that this means so much to my client, to be able to go into the thing thoroughly before it becomes my duty to question any of the witnesses that appear, and because of the man's reputation which, after years of getting that reputation for honesty, integrity, and fair dealing, is worth more than his life. A man of Mr. Trainer's age, who has been in business as long as he has, his reputation means a lot. Therefore I would like the indulgence of the committee. I appreciate that there are witnesses here that have been subpoenaed but it seems only fair in view of the importance to him. The charges were made last Wednesday. Thursday night was the very earliest time that any possible person could come, and I understand Mr. Trainer only heard of the charges late yesterday afternoon, and he expected that the other counsel, either Mr. Mayer or Mr. Austrian, would be able to come, and I would like the indulgence of the committee, that is only as to matters like the taking of testimony or evidence with reference to any matters which relate to the charges against Mr. Trainer, and it seems to me that counsel could arrange testimony in that way.

Senator HARDWICK. Mr. Bennet, who appears as counsel in this case for the hospital project, can say with respect to that.

Mr. BENNET. Of course I have nothing to do with directing the testimony of the committee except on this particular point of the hospital, and every bit of it gravitates toward this charge.

Senator HARDWICK. Gentlemen, what do you say?

(The committee then went into executive session, at the conclusion of which it resumed its hearings, as follows:)

Senator HARDWICK. The committee will be in order. The committee is unwilling to suspend its proceedings at this point. *Counsel must bear in mind that this is not a trial in a court and that the*

appearance of counsel is merely a matter of courtesy on the part of the committee, growing out of its desire to see that no injustice shall be done to anyone, and this proceeding, even so far as it relates to Mr. Trainer, will not be conducted as a trial in court. We intend to give a moderate amount of opportunity to counsel on each side to develop the facts so far as they relate to this particular matter. That would involve a reasonable amount of cross-examination. We think that so far as the facts are concerned of Mr. Trainer's connection with that in an improper way, one that may affect his character and credit and reputation, they are not intricate and are not involved. It does not take any tremendous time to go into the question as to whether a man asked to be given money in connection with one of those things or not, and we are further practically sure that the investigation will continue a good many days yet.

So that counsel will have the opportunity, as fast as the record is opened to the committee itself, to familiarize itself with it, and a full opportunity to offer such evidence as he cares to present to the committee on matters touching Mr. Trainer. And for that reason, we having many other duties to discharge, we are going to proceed with this matter, and we want to caution counsel on both sides, those who appear for the Speedway project and those who appear for Mr. Trainer, that so far as this particular phase of it is concerned we do not propose to spin it out into a trial, as it would ordinarily be conducted in a court of law, to establish the innocence or guilt of any individual. We are here to establish facts so far as they relate to the public service, and we could not punish Mr. Trainer if he were found guilty, nor could we acquit him if he were found innocent, so far as the responsibility of a court of law is concerned. We will try to get down to the point and give everybody substantial justice. So that no opportunity will be denied to set things right so far as they can be set right. Mr. Bennet, suppose you proceed with your next witness.

MR. BENNET. I would like to make one very brief suggestion. I presume that Mr. Adcock was not aware of the fact that the Senate committee investigated the Lorimer case——

SENATOR HARDWICK. I regard that statement of Mr. Adcock's as wholly beside the fact and the issues that we are trying. We are not trying Mr. Lorimer or Mr. Hines, or anybody else. We are investigating this hospital business, and some reference has been made to Mr. Trainer, and if Mr. Hines was the worst man in the world, it would not justify trying to bribe him. That is utterly beside the issue, and we do not care anything about it. We want to see what the Government is doing or is going to do about these hospitals. We are not trying Mr. Lorimer.

#### TESTIMONY OF MR. JACOB NEWMAN.

(The witness was sworn by the chairman.)

SENATOR HARDWICK. State to the reporter your name and address and business.

MR. NEWMAN. Jacob Newman, lawyer, Chicago, Ill., member of the firm of Newman, Poppenhusen, Stern & Johnston.

SENATOR HARDWICK. Your address?

MR. NEWMAN. No. 11 South La Salle Street, Chicago.

Senator **HARDWICK**. There is no reason why counsel on both sides should not lead the witness or anything else to get at it just as quickly as possible as to what you want.

Mr. **BENNET**. You have been practicing law in Chicago for 35 years?

Mr. **NEWMAN**. Yes, sir.

Mr. **BENNET**. Prior to May or June, 1918, were you acquainted with Mr. J. Milton Trainer, who sits here?

Mr. **NEWMAN**. Not to my knowledge.

Mr. **BENNET**. Did you meet Mr. Trainer some time in June, 1918? If so, state when and where?

Mr. **NEWMAN**. Yes, sir; in Chicago.

Mr. **BENNET**. At what part of Chicago; what address?

Mr. **NEWMAN**. In the office of my law partner, Mr. Poppenhusen.

Mr. **BENNET**. You mean in the office of your law firm, in the private office of Mr. Poppenhusen?

Mr. **NEWMAN**. Yes, sir.

Mr. **BENNET**. That is the Mr. Poppenhusen that testified here yesterday?

Mr. **NEWMAN**. Yes, sir.

Mr. **BENNET**. Can you fix the date as to whether it was the first or last part of June, 1918?

Mr. **NEWMAN**. It was either the last days of June or the first days in July, 1918.

Mr. **BENNET**. And how many times during the last of June or during the first of July did you meet Mr. Trainer; and if it is a fact, whether both of those meetings were in the suite occupied by your law firm?

Mr. **NEWMAN**. I think there were three meetings, two of which took place in Mr. Poppenhusen's private office and the other in my private office.

Mr. **BENNET**. Just go ahead and tell the committee what happened at these meetings with Mr. Trainer in your suite at Chicago.

Mr. **NEWMAN**. Would it be proper, Mr. Chairman, for me, in order to make intelligent what occurred at the meetings, to state what information I have received?

Senator **HARDWICK**. Yes; I think it would be both proper and necessary.

Mr. **NEWMAN**. On the 27th of June, 1918, I was playing golf at the golf club on the West Side—I have forgotten the name of the club.

Senator **HARDWICK**. No matter.

Mr. **NEWMAN**. And we were taking lunch at the clubhouse when I received a telephone message from Mr. Hines—Edward Hines. He insisted on my coming back into town. I was playing a pretty fair game of golf, and I demurred. I suggested that the subject matter about which he wished to talk to me could wait until to-morrow, but he was very insistent, and I finally yielded and told him I would come into town and see him. I got in town about 2 o'clock in the afternoon. I met Mr. Hines—I can not tell whether at his office or mine—and he told me that George H. Shank and Frank Foster, connected with the Shank Co., had informed him that Mr. Trainer had been at their office that day demanding that a sum of \$100,000 be either paid or provided

for in case the Government took over what is known as the Speedway project. I cautioned Mr. Hines to have nothing whatever to do with the matter.

Mr. ADCOCK. Mr. Chairman, may I just make a suggestion, if it is proper? The witness is giving hearsay evidence.

Senator LENROOT. I do not think we ought to have any more than is necessary to connect up.

Senator HARDWICK. We do not consider that as probative matter.

Senator LENROOT. I do not think it is necessary to say what he said to Mr. Hines.

Mr. NEWMAN. That is the reason why I asked the committee for the privilege. I told Mr. Hines that if anybody wanted to talk on that subject matter, he had better send the parties to me.

I can not tell definitely whether on that afternoon or on the following day Mr. Trainer and his partner came to my office.

Mr. BENNET. Following that occurrence they did appear?

Mr. NEWMAN. Yes, sir; I found them in Mr. Poppenhusen's private office, and after some preliminary talk—Mr. Poppenhusen was present—I asked them whether I had been correctly informed that Mr. Trainer had made a demand that Mr. Hines go with him to a certain banker in Chicago and there deposit or provide for the payment of a sum of \$100,000 compensation to Mr. Trainer in case the Government took over this Speedway tract.

Senator HARDWICK. Let me ask you, was the banker named?

Mr. NEWMAN. Yes, sir.

Senator HARDWICK. Give the name.

Mr. NEWMAN. I would prefer not to unless the committee insists on it.

Senator HARDWICK. All right, for the present.

Senator LENROOT. If it becomes a matter of credibility we can get it later on.

Mr. NEWMAN. I dislike to drag any man's name in unless it is absolutely necessary.

Mr. Trainer stated to me that my understanding was correct.

Senator LENROOT. Could you give us the conversation? Do you remember the conversation, just what Mr. Trainer said?

Mr. NEWMAN. In substance he said that my information was correct. I can not recall the words. I then called Mr. Trainer's attention to the Federal statute relating to officers and told him that if he received any money—no; I asked him then whether he was an officer of the Government, as I understood he was. He told me that he was. I then called his attention to the statute and pointed out the danger of his receiving any compensation in connection with any matter with which he was connected while in the service of the Government. I told him that it would mean the penitentiary for him and for any man that had anything to do with the transaction, and that if any money was paid or promised, that Mr. Poppenhusen and myself would be the first to inform the Government of what had taken place, and that we would at once withdraw from the entire matter.

Senator HARDWICK. What did he say?

Mr. NEWMAN. Mr. Trainer? He said he had been working on this matter for some time and he thought he was entitled to a real

estate commission, and that he did not believe he was doing anything wrong in wanting to be compensated for the work he had done.

Senator LENROOT. Did he claim that he represented the owners of the property in any way?

Mr. NEWMAN. Only to the extent, as I understood, of saying he had done work in the matter. My impression is that he named the services. I would not be sure about it. That is only an impression in my mind.

Senator BECKHAM. Was he in the service at the time he talked with you?

Mr. NEWMAN. I so understood him. I have no personal knowledge on the subject. I talked quite clearly to him, and I pointed out the danger, and I told him that Mr. Hines had stated to me that he would not pay a dollar to anybody; that if the proposition could not go through on its merits, why that was the end of it. I also told Mr. Trainer that I would not permit Mr. Hines under any circumstances, even though the work had been done before, to pay any money. The fact of paying money to a man who was in the Government service could not be explained. I can not tell just how long the meeting lasted; oh, yes, it is proper for me to say that Mr. Trainer said on that occasion that he was working for the Government for nothing, and he would probably have to make this additional contribution.

Senator LENROOT. To the Government?

Mr. NEWMAN. To the Government.

Senator BECKHAM. Did he say anything about not having been sworn into the service?

Mr. NEWMAN. Not that I recall. I heard Mr. Poppenhusen's testimony yesterday, but I have no recollection of that, but I do not wish the committee to understand that it did not take place.

The meeting lasted some little time, and there was a good deal of heat.

Senator HARDWICK. Was Mr. Clark there?

Mr. NEWMAN. Clark was there. The meeting adjourned. Either that afternoon—I am not sure—but either on the same day after the occurrence of the interview which I have just narrated or the following day, I can not tell which, Mr. Clark came into Mr. Poppenhusen's office and met me and Mr. Poppenhusen.

Senator LENROOT. Before you get away from that interview, did either of these gentlemen go into detail as to what work they had performed and how it came to be performed?

Mr. NEWMAN. I can not recall. They may have done so. I was myself, I confess frankly, considerably excited and agitated, because it was a serious situation, and I wanted the parties to understand how serious it was.

As I said, shortly after this interview took place, Mr. Clark called at our office—whether it was on the same day or the day after I can not say—and met Mr. Poppenhusen and me in Mr. Poppenhusen's private office. Clark said to me, "You say that no money can be paid to Mr. Trainer because he is in the Government service. I am not in the Government service. Why can you not pay the compensation to me?" I then asked Mr. Clark whether he was a partner of Mr. Trainer. He told me he was. I then asked whether the partnership between them had ever been dissolved or any arrangement had

been made by which Mr. Trainer retired. He told me no. I then told Mr. Clark it was simply idiotic for him to suggest that the money should be paid to him, because paying it to him was equivalent to paying it to Mr. Trainer, and that not only Mr. Trainer would go to the penitentiary but he might go with him if he took any money. That occurred in the presence of Mr. Poppenhusen, myself, and Mr. Clark, and Mr. Clark made some remark that if that was the situation, well that was the end of it, and retired.

Mr. BENNET. Are you through with that narration?

Mr. NEWMAN. Oh, a great deal occurred, but I have tried to give you the substance of the meeting.

Senator LENROOT. In this conversation, did Mr. Clark go into details as to what services had been performed, and how they came to be performed?

Mr. NEWMAN. I think Mr. Clark stated at that second meeting that they had been working on the matter.

Senator LENROOT. That was all; just the general statement.

Mr. NEWMAN. Just in a general way. I do not pretend to give the details of the conversation because I can not recall them.

Mr. BENNET. At either of the other two occasions when Mr. Trainer was in your office the latter part of June or the first of July, as you testified, was any matter of commissions or compensations mentioned?

Mr. NEWMAN. The only time the subject of commissions was discussed or referred to was the time of the meeting to which I have called your attention, after I returned from the golf club and the second meeting with Mr. Clark.

Mr. BENNET. Leaving that part of the case for a moment, were you attorney for him in connection with this Speedway Park project?

Mr. NEWMAN. For Edward Hines Co. I did not represent the Shank Co. They had their own counsel.

Mr. BENNET. Acting under that contract, did you come to Washington in the summer of 1918?

Mr. NEWMAN. Yes, sir.

Mr. BENNET. About when?

Mr. NEWMAN. Some time in August, I think.

Mr. BENNET. Then, if you will permit me, in order to save time, you were in Washington substantially from the middle of August until the 1st of September working over the details of this contract, which was referred to by Col. Wright yesterday?

Mr. NEWMAN. Yes, sir.

Mr. BENNET. And in conjunction with Maj. A. O. O'Brien of the Construction Division?

Mr. NEWMAN. Yes.

Mr. BENNET. And the signing of that contract occurred on the 31st of August, 1918?

Mr. NEWMAN. Either the 30th or 31st.

Mr. BENNET. And you left the next day?

Mr. NEWMAN. Yes, sir.

Mr. BENNET. Now, what occurred on the day that the contract was signed and the plans initialed, as was detailed by Col. Wright yesterday? First, who were present and what was said—as near as you can recall?

Mr. NEWMAN. Maj. O'Brien and myself worked on the contract until it was finished, and I was then sent for to go over either to his



office or to Col. Wright's office—Col. Wright of the construction department. Late in the afternoon of either August 30 or August 31 I found at Col. Wright's office, around his desk, Col. Wright, Richard Schmidt, Hugh Garden, architects of Chicago, A. D. Erskine, Maj. A. O. O'Brien, and myself at that conference.

Mr. BENNET. Now, just state what occurred, Mr. Newman.

Mr. NEWMAN. Richard Schmidt, the architect, had been working on the voluminous specifications the night before, and I helped him finish some of them. He had worked until about 3 o'clock on the morning of the day the contract was signed by the Shank Co. We appeared in the office of Col. Wright about 4.30 o'clock in the afternoon. Col. Wright requested the Shank Co. to sign the contract. At the same time he requested that the Shank Co. adopt some resolutions dismissing the firm of Schmidt, Garden & Martin as architects so that they could immediately enter into the service of the Government. While we were seated at the table Major O'Brien drafted a memorandum to that effect and handed it to Mr. Shank so that his company would adopt the resolution. The contract was signed by the Shank Co., and there was a good deal of handshaking and more or less congratulations that the thing was through with, and Col. Wright expressed grave doubt about Mr. Shank being able to complete the hospital before cold weather set in in Chicago, and was very anxious, as I gathered from what he said, that the hospital should be completed at the earliest possible moment. He told Mr. Schmidt and Mr. Garden that he wanted them to return to Chicago immediately and start in on the work of—

Mr. BENNET. Detailed drawings.

Mr. NEWMAN (continuing). Detailed drawings, that is right, and that he was afraid it would take him 30 days to finish that work, and that might seriously delay the building. And I understood him to say that he wanted Mr. Shank to return to Chicago to start work.

It is proper for me, however, to say that Col. Wright told the gentleman present that he would have to make up a complete report; that, if necessary, he would work Sunday, so that it might be completed the following Monday, and he would be compelled under the regulations—governmental regulations—to present that report, as I understood him, to the General Staff for their approval. But he added that inasmuch as our department had approved the project it was a mere matter of form under their procedures, and that he had no doubt whatever that he would secure the signature Monday or Tuesday. Of course, he said that the signature of the Secretary of War was necessary to the contract.

Mr. BENNET. The contract contained a penal provision by which a certain sum was to be paid in case the building was not constructed within 100 days, did it not?

Mr. NEWMAN. \$500.

Mr. BENNET. For the first 15 days and \$1,000 for each day after that?

Mr. NEWMAN. Yes, sir.

Mr. BENNET. And the contractor must provide a bond of \$1,200,000 to complete the work in 100 working days.

Senator BECKHAM. From what date?

Mr. NEWMAN. The contract will have to speak for itself. The contract is not dated, nor is it signed by the Secretary of War.

**Mr. BENNET.** And it has this rather unusual clause:

For lack of time such plans and specifications in the construction of the foregoing buildings and structures are not as fully detailed as they ought to be for working plans and specifications; but notwithstanding this fact the contracting officer has directed the owner to begin immediately the work of construction, and in compliance with such directions the owner agrees to begin the work of construction immediately under the terms of this contract without awaiting the final completion of such plans and specifications, and the contracting officer agrees to employ at his own expense an architect skilled in hospital construction to complete such plans and specifications with all reasonable dispatch to the satisfaction of the contracting officer.

**Mr. NEWMAN.** That expresses, as I understand it, just what occurred. There was great solicitude, in fact, about completing the work.

**Senator HARDWICK.** Considering that there was a great deal of uncertainty as to how much such hospital facilities we would need for soldiers?

**Mr. NEWMAN.** Yes; Col. Wright had grave doubts about Shank's ability to complete it; grave doubts. In fact, the whole department had grave doubts about his ability to complete the work, and that is why so large a bond was demanded.

**Mr. BENNET.** It is the largest fireproof hospital in this country, is it not?

**Mr. NEWMAN.** I am not an expert.

**Mr. BENNET.** It is over 2,000 feet long by 50 feet wide and four stories high?

**Mr. NEWMAN.** Yes, sir.

**Mr. BENNET.** You have stated everything that occurred that you consider material on the 30th and 31st of August?

**Mr. NEWMAN.** Yes.

**Mr. BENNET.** Did you and Mr. Shank immediately return to Chicago after the signing of the contract?

**Mr. NEWMAN.** We all left Col. Wright's office in an automobile—Col. Wright went with us, and Shank and Schmidt and Garden were taken to the hotel. I think it was the Raleigh. I think I was staying there at the same time. I do not recall whether Col. Wright was taken home in the automobile or not. I think Mr. Erskine was in the automobile. I have forgotten whether Erskine was present at the conference with Col. Wright or not. If I did not mention it I wish to add that he was present.

**Mr. BENNET.** At any rate, to your knowledge, did Mr. Shank, Mr. Schmidt, and Mr. Garden leave?

**Mr. NEWMAN.** Yes.

**Mr. BENNET.** Prior to the signing this contract, had you had any telegraphic communication with Mr. Hines in relation to permitting the contract to be signed?

**Mr. NEWMAN.** I sent Mr. Hines a great many telegrams.

**Mr. BENNET.** Had you advised him—first, Mr. Hines was twelve-thirteenths owner in this Speedway Park proposition, substantially?

**Mr. NEWMAN.** Yes; that is, he had bonds. I think he had twelve-thirteenths of a certain issue of bonds on the property, which he had taken for material furnished.

**Mr. BENNET.** And it was within your knowledge that if this \$2,500,000, provided for in the contract, was less than the value of the

land and the cost of the building, that twelve-thirteenths of the loss would fall on Mr. Hines and one-thirteenth on the Shank Co.

Mr. NEWMAN. If you will tell me what you have in mind perhaps I can answer it.

Mr. BENNET. Did you send a telegram to Mr. Hines down in Louisiana or Mississippi, advising him not to authorize the signing of the contract?

Mr. NEWMAN. I think I sent a telegram to Mr. Hines either to Chicago or to Louisiana—he was attending the lumbermen's meeting, I think, down there at New Orleans—either there or at Chicago, and I talked to him on several occasions urging him to withdraw the proposition.

Mr. BENNET. For what reason?

Mr. NEWMAN. Because I became satisfied that he was losing a great deal of money, a great deal more money than he thought he was losing.

Mr. BENNET. And what did you tell him you thought the difference would be between what he would get from the Government and the cost of the building and the value of the land?

Mr. NEWMAN. The construction department of the Government had figured the cost of constructing a fireproof building and six small buildings would be about \$2,300,000. I understood from Schmidt, Garden, and Martin, the architects, that that figure, that they had figured that the cost of these same structures would be about \$2,250,000, and then inasmuch as the Shank Co. was to receive only \$2,500,000, all that would be received for the land and improvements that had cost \$200,000 would be the difference of \$250,000, and I was fearful that Mr. Shank had made a serious mistake in his figuring, and my experience had taught me that usually these estimates on the part of our architects are apt to fall greatly short of the actual performance, and I was afraid that instead of the project costing \$2,250,000, as the architects had figured, it might be nearer \$2,500,000, and that would give nothing for the land and the improvements on them, and being built along cautious lines I wrote Mr. Hines to withdraw; that he was making a mistake and was losing much more than he thought he was. But he is pretty stiff-necked, and he said he would not. He wanted to do something. His boy died over on the other side, and he felt it his duty to do something, and he would not follow my advice.

Mr. BENNET. After you went back to Chicago the 1st of September did you again return to Washington?

Mr. NEWMAN. Some time in September, 1918.

Mr. BENNET. Towards the latter part of the month?

Mr. NEWMAN. I think towards the end of September.

Mr. BENNET. With whom did you have a conversation at that time with relation to this Speedway project?

Mr. NEWMAN. I returned to Washington because Mr. Hines insisted upon my coming down, as he had learned that Secretary Crowell, during the absence of Secretary of War Baker, had turned the project down. I came down to Washington, and I was unable to get any information as to why it was turned down or whether it had been definitely turned down. I couldn't get in anywhere. All doors were closed. So I called on Maj. O'Brien, with whom I had gotten

fairly well acquainted in the course of our work on that contract, and asked him if he knew anything about it. He told me that he thought that the matter had not been finally turned down but postponed, and I had some further talk with the major.

Mr. BENNET. At that time did you mention to the major anything concerning the Trainer incident?

Mr. NEWMAN. Yes; I discussed it with the major on confidential terms and asked him not to say anything about it.

Mr. BENNET. Without going into details, was what you told him substantially what you testified here to-day?

Mr. NEWMAN. Yes; I may not have gone into details, but I told him; I expressed some fear to him, and that is why I wanted him to know the facts and circumstances, and I told him about what my fears were.

Mr. BENNET. After your conference with Maj. O'Brien, about the 1st of October, did you see anyone else in Washington in connection with the Speedway project?

Mr. NEWMAN. Yes; I saw a lot of people.

Mr. BENNET. Did you see Assistant Secretary Crowell and Mr. Hare in company with Mr. Shank and Mr. Folsom?

Mr. NEWMAN. On the 27th day of September I addressed a letter which the Shank Co. signed and transmitted to Secretary Crowell, asking for definite information, whether the project had been turned down, and if so, why. Either on the same day—the 27th—or the 28th we received a reply drafted by Mr. Hare, but, I think, signed by Mr. Crowell.

Mr. BENNET. That is the letter [indicating a paper shown to the witness].

Mr. NEWMAN. I have not seen it for a long time; yes, sir.

Mr. BENNET. Is that the answer?

Mr. NEWMAN. Yes, sir. I think that I read the answer and I can give it to you.

(The letters are here printed in the record, as follows:)

SEPTEMBER 27, 1918.

SIR: Under orders of the Government and in accordance with plans and specifications prepared and furnished to us by the Government architects, Messrs. Schmidt, Garden, and Martin, of Chicago, Ill., the Shank Co. has been constructing a hospital building on the property known as Speedway Park, Cook County, Ill. The work was commenced about September 2, 1918, and has been carried on, under the supervision of the Government superintendents on the ground, and has been prosecuted continuously, and substantial progress has been made in the erection of the structure.

To-day I received, by telephone, from the vice president of the Shank Co., in Chicago, notice that he had been instructed by the representative of the Government superintending the work on the ground to immediately stop all work. May I ask you to kindly advise me at the New Willard Hotel, room 527, at the earliest possible moment, whether the order to stop work was authoritatively given; and if so, whether I may not be permitted to have a conference with you on the subject at the earliest moment your engagements permit. My people in Chicago are awaiting my orders, and this is my excuse for asking a conference, if possible, early to-morrow.

Respectfully, yours,

GEO. H. SHANK,  
President Shank Co.

Hon. BENEDICT C. CROWELL, United States Army,  
Acting Secretary of War, Washington, D. C.

WAR DEPARTMENT,  
OFFICE OF THE ASSISTANT SECRETARY,  
Washington, D. C., September 28, 1918.

Mr. GEORGE H. SHANK,  
*President Shank Co., the New Willard Hotel, Washington, D. C.*

DEAR MR. SHANK: Acknowledgment is made of the receipt of your communication of September 27, 1918, in which a statement is made that you have been constructing a hospital building on property known as Speedway Park, Cook County, Ill., under orders of the Government. Upon investigation it is found that although the procedure usual in the War Department of investigation of proposed projects has been had on a proposal of your company in connection with such a project, the statutory requirement of the approval by the Secretary of War has not been had, and no contract has been executed on behalf of the Government.

BENEDICT CROWELL,  
*The Acting Secretary of War.*

(Delivered by messenger, a Mr. Lewis, from Mr. Crowell's office, 5.45 p. m., Sept. 28, 1918.)

Mr. NEWMAN. After receiving that letter I insisted upon having a personal interview with Secretary Crowell to find out what was behind the letter. So, an appointment was made, by which Mr. Hines met Secretary Crowell. I think that took place either on September 29 or October 1, they met.

Senator HARDWICK. Were you present?

Mr. NEWMAN. I was not present. He was turned over to Secretary Crowell's assistant, Mr. Hare. On October 1, by appointment, we met Mr. Hare in his office, just off from the office of Secretary Crowell.

Mr. BENNET. Is that Mr. C. Willing Hare?

Mr. NEWMAN. I do not remember his initials. He is a very handsome, fine-looking fellow. We met. There were present: Mr. Hines, Mr. Shank, a gentleman named Folsom, and myself.

Mr. BENNET. Mr. Richard S. Folsom?

Mr. NEWMAN. Richard; I am not sure of the middle name. He had a stenographer present—Secretary Hare gave us to understand that he was going to take this matter up on a purely business basis, and he wanted to know the facts, and he also added that he would have nothing to do with us, as he expressed it, if Mr. Erskine had anything to do with the matter. He was through with Mr. Erskine. He did not want him to have any connection with the matter. Secretary Hare took down our statements of what had occurred on August 31. That lasted until about lunch time, when some one suggested that we had better go to lunch. The meeting broke up with the arrangement on the part of Secretary Hare that his shorthand man would reduce the statements to writing, and he would have them ready for us about 2 o'clock in the afternoon, and we should return.

Just as we were saying good-bye for the day, Mr. Hines told Secretary Hare that he had a statement, a carefully prepared statement, giving a complete history of the Speedway project, from the beginning up to that time, and he thought if Mr. Hare read that he would become acquainted with the situation, and he handed Mr. Hare the document. We returned after lunch, had further discussions and, then, Mr. Hare said that he wanted time to have a full conference with Mr. Shank. My impression is that he said "alone." That conference took place, I think, the following day.

Senator BECKHAM. What reason did Mr. Hare give for not wanting to have anything to do with Mr. Erskine?

Mr. NEWMAN. I can not recall the words, except his manner was one of irritation. The impression I got was that something had occurred between them. I can not recall the words.

Mr. BENNET. Some time, about the 1st of October, did you prepare a letter for Mr. Shank's signature, summarizing the proposition that you had made to Mr. Hare? I will show you this [showing witness a paper].

Mr. NEWMAN. Yes; I did.

Mr. BENNET. And you then sent that letter over to Mr. Hare, or mailed it to him?

Mr. NEWMAN. I think Mr. Nelson can answer that. There were so many documents, I do not remember.

Mr. NELSON. It was sent by messenger.

Mr. BENNET. I offer this as evidence.

(The letter referred to is here printed in the record as follows:)

OCTOBER 1, 1918.

Attention of Mr. Hare.

To the SECRETARY OF WAR:

During our conference with Mr. Hare this morning we understood that the Government was inclined to the construction of temporary hospitals, largely as a matter of economy, and that their use by the Government would not cover a very long period of time.

We have been considering this view of the matter, and in order to meet the view of the Government as to ultimate cost, we beg to suggest the following:

The draft of contract prepared by Maj. O'Brien on behalf of the Government plainly calls for a modern, fireproof hospital (with three or four other small structures) for the accommodation of 2,500 beds, which would make the price per bed only \$1,000 and not \$1,400 per bed, as was suggested at the conference. The additional buildings contemplated by the construction department were never included in the draft of contract or definitely agreed upon at any time.

Naturally we would have no use for this property, but our confidence in its value is such that we are ready at any time during the next five years, if the Government should conclude to abandon the hospital (as it would its temporary structures), to take the property off its hands (exclusive of the furnishings, which remain the property of the Government) and pay the Government for the same \$1,000,000.

Under this proposition the Government would have the use of the hospital for five years at a cost of \$600 per bed, or \$120 per bed per annum on basis of the contract price of \$2,500,000 named in said draft of contract; or if you add \$500,000 more for the additional buildings the Government has in mind, making the total cost \$3,000,000, the cost per bed during the five years would be \$800, or \$160 per bed per annum.

Should the Government conclude to accept this proposition, the same can be reduced to writing mutually satisfactory, and the Government need pay us only \$1,500,000 under the contract, holding as security the remaining \$1,000,000 (out of the purchase price) and invest same in liberty bonds, the interest coupons to be delivered to us as they mature. If on or before the expiration of five years the Government concluded to retain the hospital, it will deliver the \$1,000,000 of Government bonds to us; on the other hand, if the Government concludes not to retain the hospital, the \$1,000,000 in Government bonds becomes the property of the Government.

Yours, very truly,

GEO. H. SHANK, *President Shank Co.*

Mr. BENNET. I would like to read just one paragraph:

Naturally, we would have no use for this property, but our confidence in its value is such that we are ready at any time during the next five years, if the Government should conclude to abandon the hospital (as it would its temporary structures), to take the property off its hands (exclusive of the furnishings,

which remain the property of the Government), and pay the Government for the same \$1,000,000.

Under this proposition the Government would have the use of the hospital for five years at a cost of \$600 per bed, or \$120 per bed per annum, on basis of the contract price of \$2,500,000 named in said draft of contract; or, if you add \$500,000 more for the additional buildings the Government has in mind, making the total cost \$3,000,000, the cost per bed during the five years would be \$800, or \$160 per bed per annum.

Mr. NEWMAN. The following day I was sitting in my room in the hotel when Mr. Shank came bursting into the room in a great state of excitement, saying that Secretary Hare had ordered him to command me not to return to Chicago—not to leave Washington until he permitted me to do so. It was only a few minutes before train time, and I was to leave, I think, on the 12.30 or 12.40—the B. & O.—to Chicago, as my boy was going back to camp. He had been home, had contracted tuberculosis while in the camp down at Sheffield, Ala., and the Army had sent him home. He had been home sick for some time, and I wanted to see the boy before he returned. But I thought, well it is a pretty imperative order, war times, and I thought probably I had better obey, so I did not leave. Shank was ordered to bring me over to Secretary Hare's office, and I went. My impression is that Shank and I went over together. I found in the office Secretary Hare, the counsel of the department—his name I can not recall now—

Mr. BENNET. Dorr?

Mr. NEWMAN. Yes; John Dorr—Maj. O'Brien, and Mr. Hare. Hare seemed to be very much excited, and he pulled out this document that Mr. Hines had given him—which we have for convenience called the history of the Speedway project—and pointed to the passage in the contract or document which stated that this contract which had been signed by the Shank Co. on August 30 or 31 had been critically examined by Secretary Hare in company with Maj. O'Brien, and had met Secretary Hare's full approval. Mr. Shank had informed me that when that portion had been read to Mr. Hare by his counsel, Mr. Dorr, that Hare had said it was a lie; that he had never seen Maj. O'Brien in his life and had never seen the contract. That is what Mr. Shank told me. When I talked to Mr. Hare at that interview when I came over upon his command he asked me for the draft of that document. He asked me if I had drafted that document. I said, "Yes, sir; I am responsible for it." "Where did you get the information?" I said, "From a reliable source." "What was the source?" I replied that I got it in a way that I did not feel that I had any authority to disclose the source of my information until I had the gentleman's permission. Maj. O'Brien was seated on the other side of the table, and he arose and said: "Mr. Newman, you doubtless have reference to some talk I had with you on the subject; if so, I release you entirely to tell Mr. Hare exactly what occurred." I got my information from Maj. O'Brien, and having his permission to tell, I told Secretary Hare that Maj. O'Brien had told me that Mr. Hare himself had sent for Maj. O'Brien, and the two had gone over the contract for two or three hours, paragraph by paragraph.

Mr. Hare had a number of written memoranda which he had intended to embody in the contract, but when Maj. O'Brien had finished the examination of the contract with Mr. Hare, Mr. Hare became satisfied that the Government was fully protected and that there was

no occasion to do anything to or change any provision in the draft of the contract. I told that to Mr. Hare. He did not deny it. Nor did he say anything on the subject in the way of questioning it.

There was one error in that paragraph to which Mr. Hare took considerable umbrage. The document was dated September 27, wasn't it?

Mr. BENNET. The 30th.

Mr. NEWMAN. September 30, and that paragraph in that document stated that Mr. Hare had been familiar for about three or four weeks with this draft of contract and had approved it. That was an error. The fact was that the conference took place between Maj. O'Brien and Mr. Hare in Mr. Hare's office there September 16 or September 18, so when the paragraph spoke of three or four weeks, it was only about two weeks.

Mr. Hare examined me quite rigidly about other portions of the document and was inclined to blame me for it. I told him I was responsible for the document; that I had prepared it.

Mr. BENNET. As I recall it, that was the last conference that you had in Washington with relation to the Speedway proposition.

Mr. NEWMAN. I can not now recall any other.

Mr. BENNET. You drew all the papers on behalf of Mr. Hines and for the Shank Construction Co., which was doing the work, and were in Washington a great deal during the months of September and October, but did not go back to the departments or have any contact with any other officers?

Mr. NEWMAN. Contact?

Mr. BENNET. You did not come in contact with men such as Mr. Hare, and so on?

Mr. NEWMAN. I do not recall that I had any conference with any Government officer after seeing Mr. Hare.

Mr. BENNET. There is a Lieut. Col. John A. Hornsby that has been mentioned.

Mr. NEWMAN. Yes, sir.

Mr. BENNET. Do you know him?

Mr. NEWMAN. He was a client of mine at one time.

Mr. BENNET. In what capacity were you employed?

Mr. NEWMAN. A confidential matter.

Mr. BENNET. Did you meet him in Washington?

Mr. NEWMAN. Yes, sir.

Mr. BENNET. Did you have any conference of any moment with him here?

Mr. NEWMAN. I had two or three talks with the colonel.

Mr. BENNET. Anything that you regard as important for the committee's purposes?

Senator HARDWICK. Relating to this matter?

Mr. NEWMAN. Yes.

Mr. BENNET. Just state it. Just state what they wanted.

Mr. NEWMAN. Well, he was opposed to this project; that he and Secretary Baker had adopted a policy, and this project was in violation of that policy. That was the substance of it.

Senator HARDWICK. What was that policy?

Mr. NEWMAN. My understanding from the colonel was that he and the Secretary of War had outlined a policy that they would buy



and build nothing; that they would take over finished products—that is, existing buildings—and restrict them. That is my understanding of what the colonel said.

Mr. BENNET. To return to the Trainer episode for a moment, did anything occur subsequently in your office in Chicago in relation to any attempt to secure Trainer's assistance on the part of a third party in connection with this Speedway matter?

Mr. NEWMAN. Yes, sir; but I do not wish to mention the man's name unless the committee insists on it, and I hope the committee will not. He is a Civil War veteran and an old friend of mine, and whatever he did he simply did out of the goodness of his heart. He thought he would help me in this situation in Washington.

Mr. BENNET. It was limited to recommending Mr. Trainer as a business man, and a statement of his personal opinion that you had to have Mr. Trainer's assistance to win?

Mr. NEWMAN. You should have asked Mr. Poppenhusen, not me. It was Mr. Poppenhusen who wrote me a letter about it.

Senator HARDWICK. Personally you know nothing about it?

Mr. NEWMAN. No.

Mr. BENNET. Is there anything further you have in mind that you think would be of value to the committee?

Mr. NEWMAN. There is so much of this stuff.

Mr. BENNET. There has been an incident that rather agitated Chicago about a man named M. M. Hitchcock. Did you have any connection with that?

Mr. NEWMAN. I think I am the guilty party.

Senator HARDWICK. What is that?

Mr. BENNET. A mysterious disappearance proposition.

Mr. NEWMAN. I had learned, and I can not tell where, here in Washington or in Chicago, that a man named Hitchcock, at Berwyn, a little suburban village out of Chicago, west, had sent a telegram to the War Department that the Speedway Park land was worth in the neighborhood of \$300 an acre. When I got home, when I got this information, it occurred to me that there was something that had persuaded that man to send that kind of a telegram. I could not understand what motive he could have, and I concluded to find out whether there was anybody behind Hitchcock influencing him to send that kind of a telegram to the War Department, and I sent for Capt. Hunter, who is a detective in Chicago and does our small work, has done it for 10 to 15 years, investigating, and I told him about this telegram and said I wanted him to find out if he could whether there was anybody behind Hitchcock, and find out what motives Hitchcock had in sending that telegram, what purpose he had.

Mr. Hinds knew nothing whatever about the employment of Capt. Hunter. I employed him on my own responsibility, and I returned to Washington. I think, and the whole matter passed from my mind. I never had any report from Capt. Hunter, and when I asked him why he did not send me some report after I returned to Chicago after Thanksgiving, he said, "I didn't see anything to report, because I could not get any information." I returned to Washington, I think, the day after I had given this note to Capt. Hunter, and when I came home, returned to Chicago after Thanksgiving, that morning I found a two-column article in the Chicago Tribune showing that Mr. Hitchcock had disappeared from the face of the earth, from his

family, and that Capt. Hunter was probably responsible for his disappearance, and the newspaper men came down to see me at the house Thanksgiving night. And I told them just exactly what I am telling the committee here. And they said, "Do you know where Capt. Hunter is?" I told them that I had not thought about the matter after consulting with him, but told them to call him up. They asked if I would call him up and I told them I would. So one of the newspaper boys representing the Tribune went with me to the telephone as he wanted to be sure what was being said. I called up Capt. Hunter's house. I had to look in the telephone book to find his number. The maid in the house said that he was out and she was not able to say where. I told her to tell Capt. Hunter to come to my office the next morning. The Chicago Tribune reporter heard all of this and the next morning there was a column that Capt. Hunter also had disappeared.

Senator HARDWICK. They did not charge you with causing the disappearance?

Mr. NEWMAN. Pretty nearly, because in an article in the Tribune two or three days after that there was a statement that a warrant would be issued for Capt. Hunter and a well-known Chicago lawyer.

Mr. ADCOCK. You admitted the second charge?

Mr. NEWMAN. No; I would not say that; that is the language of the newspapers.

That is all I know. If anybody is guilty in connection with Mr. Hitchcock, I am. Mr. Hines did not know anything about it.

Senator HARDWICK. Are you charged with abducting Mr. Hitchcock?

Mr. NEWMAN. Yes. I never had seen the man in my life. Never heard of him except as I have narrated.

Mr. BENNET. As I recall it, these reporters came after Mr. Hitchcock disappeared, and some search was made of his desk and a letter was found?

Mr. NEWMAN. The way that came about was this: Hunter, instead of going out to see the man, had written him a letter to come in to see him—a very stupid thing to do, I thought—and it seems that they found Hunter's letter; and, of course, the newspaper boys went on the search for Hunter, and Hunter told them frankly what occurred and mentioned Mr. Hines's name. I was doing work for Mr. Hines which he had employed me to do, and the whole thing broke out.

Senator HARDWICK. I just asked about it, as one of my colleagues in the Senate asked me about Mr. Hitchcock.

Senator BECKHAM. Have they ever found Hitchcock?

Mr. HITCHCOCK. Here.

Mr. NEWMAN. It is the first time I ever saw him in my life, when somebody pointed him out to me yesterday.

Mr. BENNET. In order to save the possibility that you may be called back, I want to summarize this. If I am not correct in any statement, correct me.

In the latter part of November, 1918, were you and Mr. Hines and Mr. Shank at dinner, and did Mr. Shank come to you and say that Mr. Trainer was dining in the same restaurant and that he had had a conversation with him?

Mr. NEWMAN. Not quite. Mr. Hines and Mr. Shank were over at the restaurant—Gerstenberg's restaurant—and I came in after they had taken their seats, and Mr. Shank leaned over to me and whispered that Mr. Trainer was in the room. I said, "Well, that is all right. He has a right to eat as well as you have." "Well, that is the point; he talked to me." And Shank said something—

Mr. BENNET. Did you or did you not turn around and verify his statement?

Mr. NEWMAN. I did not see Mr. Trainer in the restaurant. I did not see him even pass out.

Mr. BENNET. Now, is there anything further that you think would be of value to the committee that you have not mentioned?

Senator HARDWICK. Let me ask you a question. Have you ever talked with Secretary Baker about this matter?

Mr. NEWMAN. No, sir.

Senator HARDWICK. Did you ever talk to Mr. Crowell, the Assistant Secretary, about it?

Mr. NEWMAN. No, sir; my conferences were with Mr. Hare.

Senator HARDWICK. What was his official position in the department? We can find out, if you do not know. Is he an Assistant Secretary of War?

Mr. NEWMAN. Yes.

Senator HARDWICK. He is an assistant to the Assistant Secretary, isn't he?

Mr. NEWMAN. I think he is an assistant to the Secretary.

Col. WRIGHT. He is officially an Assistant Secretary of War.

Mr. NEWMAN. Since that time I think his title has changed and he has been made director of munitions, or something like that. But at that time he was an assistant to the Assistant Secretary of War. He is a very imperious gentleman, whatever he is.

Mr. BENNET. Does he look imperious?

Mr. NEWMAN. Yes.

Senator HARDWICK. Is he young?

Mr. NEWMAN. I should say he is a man about 40.

Senator HARDWICK. It would look as if he had had time to get over that.

Mr. NEWMAN. He may have since the war.

Mr. BENNET. Do you know Mr. Albert de Wolfe Erskine?

Mr. NEWMAN. Yes, sir.

Mr. BENNET. What is his connection with the Speedway proposition?

Mr. NEWMAN. I interested him; at least I think I did.

Mr. BENNET. Tell the committee what it is.

Mr. NEWMAN. We could not get anywhere, could not get any hearing, and I knew Mr. Erskine was in Washington and knew the departments, and I had been very kind to Mr. Erskine in a great many ways—I mean in a legal way—and I felt that he would do me a kindness if he was called on, and I told him about the story. "Why," he says, "certainly I will see what I can do." He himself was interested.

Senator HARDWICK. He is engaged in business of that sort, or was it a personal matter?

Mr. NEWMAN. Purely a personal matter. He is interested in a large corporation which I represent.

Senator HARDWICK. He was one of your clients?

Mr. NEWMAN. Yes.

Senator LENROOT. Not employed?

Mr. NEWMAN. No, sir.

Senator HARDWICK. He received no compensation in any way?

Mr. NEWMAN. No, sir.

Senator HARDWICK. Did he have any interest financially or otherwise?

Mr. NEWMAN. No, sir; so far as I know.

Senator LENROOT. Just one or two questions. When was your first connection with the Speedway project?

Mr. NEWMAN. I think our firm was employed either in May or June, and Mr. Poppenhusen was down here twice. I think in June, but he got nowhere, could not get any hearing, could not get any audience.

Senator LENROOT. The title to this property was in the Shank Co.?

Mr. NEWMAN. No, sir.

Senator LENROOT. Who had the title?

Mr. NEWMAN. The title was in a man named Thomas, in trust for those bondholders.

Senator HARDWICK. He was trustee for the bondholders, and Hines owned twelve-thirteenths and Shank one-thirteenth, substantially?

Mr. NEWMAN. Yes, sir.

Senator LENROOT. Was there any equity or interest on the part of anyone else?

Mr. NEWMAN. No, sir.

Senator LENROOT. Did Thomas have full power to convey?

Mr. NEWMAN. Yes, sir.

Senator LENROOT. He was in trust for the bondholders alone?

Mr. NEWMAN. Yes, sir.

Senator LENROOT. And the bondholders consisted of Mr. Hines and the Shank Co.?

Mr. NEWMAN. Yes, sir.

Senator LENROOT. For the full amount of the bonds?

Mr. NEWMAN. Yes, sir.

Senator LENROOT. So that they were the only parties that were interested in the title?

Mr. NEWMAN. The only people. Perhaps. Senator, you ought to know this: In 1917—I think in the fall of 1917—the Speedway Park Association was heavily in debt, and the stockholders, in order to escape stockholders' liability and get rid of their obligations, agreed at a meeting held for that purpose, in which I think about 80 per cent of the stock was represented, that if Mr. Hines would pay the debts of the corporation, which amounted to somewhere between, as I recall it—I will not be accurate—between \$150,000 and \$200,000, that they would not be put under the necessity of making a foreclosure of the mortgage.

Mr. BENNET. Mr. Hines and the Shank Co. were creditors in excess of the bond?

Mr. NEWMAN. Yes, sir. They had been paying taxes, and all that sort of thing, and instead of being compelled to pay the expenses of reclosing—I think that is a bonded indebtedness secured by a first mortgage on the property—some arrangement was made by which

these debts were all paid and the title taken by Thomas for the sole benefit of the bondholders.

Senator LENROOT. Do you know whether this property had been on the market for sale?

Mr. NEWMAN. I do not.

Senator HARDWICK. Mr. Adcock, if you desire to ask the witness any questions touching his statements with reference to this matter, you may do so.

Mr. ADCOCK. What time do you adjourn?

Senator HARDWICK. We have no regular hours.

Mr. ADCOCK. I think if you could adjourn I could probably save a lot of time.

Mr. BENNET. Some reference was made by Gen. Marshall or Col. Wright to the fact that they had not known about Mr. Hines's interest in this property until some time in October, when you had your conference with Maj. O'Brien in the Construction Division.

Mr. NEWMAN. I told Maj. O'Brien that I represented Mr. Hines.

Mr. BENNET. Mr. Edward Hines?

Mr. NEWMAN. Mr. Edward Hines.

Mr. BENNET. And you told him he had large interests in the matter?

Mr. NEWMAN. Oh, yes.

Mr. BENNET. It is a fact, is it not, that in June he had met with a severe personal bereavement, and was not as active that summer as he ordinarily is?

Mr. NEWMAN. No, sir. His son died over in France, and most all of May and June he devoted himself to trying to get information as to where the boy was and what his condition was, and I know he was down in Washington, and his wife was down here, and they could not get any data, and they naturally were wrought up about it, and they finally got word that the boy had died over there in some hospital.

Mr. BENNET. You have been his personal counsel for a good many years and attended to matters for him of much importance?

Mr. NEWMAN. Yes, sir.

Mr. BENNET. And he has testified to the fullest confidence in you?

Mr. NEWMAN. I do not know. He has not always followed my advice. If he had he would have dropped this matter long ago.

Perhaps I ought to say this: That during the whole of July it was almost impossible for me to get an audience with Mr. Hines, whenever I would be up in his office, and I would try to discuss this matter with him, and he would burst out into tears, and get me wrought up and that would end it, on account of his son, and he was of very little use to me.

Senator HARDWICK. If you prefer we can have another witness called, and recall Mr. Newman after lunch.

Mr. BENNET. That is satisfactory.

Senator HARDWICK. We will excuse you for the present, although not entirely, because Mr. Trainer's counsel wants to ask you some questions.

Maj. HORNSBY. I have so little to do and so little to say I am wondering if I might count on getting away. I came all the way from Chicago to this hearing, and I am anxious to get out again.

Senator HARDWICK. We can not quite get to your testimony yet.

**TESTIMONY OF MR. HUGH M. GARDEN, MEMBER OF THE FIRM OF  
RICHARD E. SCHMIDT, GARDEN & MARTIN, ARCHITECTS, 104  
SOUTH MICHIGAN AVENUE, CHICAGO, ILL.**

(The witness was sworn by the chairman.)

Mr. BENNET. Mr. Garden, you are a member of the firm of Schmidt, Garden & Martin, which makes rather a specialty of hospital construction, are you not?

Mr. GARDEN. Yes, sir. We have specialized largely in hospitals for the last 25 years.

Mr. BENNET. And your firm and your senior partner, Mr. Schmidt, between you have erected about 40 or 50 hospitals, have you not?

Mr. GARDEN. Yes, sir.

Mr. BENNET. Do you recall about the middle of August, 1918, being summoned by telephone to Washington by a message which came to Mr. Schmidt and was transmitted to you, the message being from A. D. Erskine?

Mr. GARDEN. Yes, sir.

Mr. BENNET. And you came to Washington about the 16th or 17th of August?

Mr. GARDEN. I arrived here the 18th of August.

Mr. BENNET. And where did you go and whom did you meet?

Mr. GARDEN. I met Mr. Erskine. At the time of coming I did not know for what purpose I was called, and Mr. Erskine explained to me the proposal of the Shank Co. to build a hospital on the Speedway tract for the Government, and asked me to assist. I then examined the preliminary drawings which had been made so far. I went with Mr. Erskine to the Surgeon General's Office, where I met Gen. Noble and others, and I went to the construction department, and I then advised Mr. Erskine that it would be necessary to prepare an entirely new set of plans. Mr. Erskine then ordered me to proceed and do that. The first requisite was the information as to the requirements of the Surgeon General's Office. In the course of a few days we received from them the first set of blue prints, being their standard 2,500-bed hospital. I then gathered assistants about me and went to work in the Surgeon General's Office. They gave us drafting tables, instruments, and space. In the course of two weeks we produced the preliminary plans of the hospital as it now is.

Mr. BENNET. Were those the plans that were produced yesterday and identified by Maj. Wright as the preliminary plans?

Mr. GARDEN. Those were the plans that were identified yesterday as the preliminary plans, and the same plans that were identified by Mr. Shank on August 31.

Mr. BENNET. But you had with you a portion of that time your partner, Mr. Schmidt?

Mr. GARDEN. Mr. Schmidt came to Washington in the latter days of August.

Mr. BENNET. And your chief draftsman, Mr. C. A. Erickson?

Mr. GARDEN. Yes.

Mr. BENNET. How many assistants from your Chicago office?

Mr. GARDEN. That was all from our office; but we gathered in Washington eight or nine other men, and Mr. Shank brought on a couple of men from Chicago.

Mr. BENNET. Were you assisted by consultation with the experts in the Surgeon General's Office.

Mr. GARDEN. We had the assistance of the chiefs of the various divisions of the Surgeon General's Office, as, for instance, the head pathologist, the nose, throat, and eye specialists, and from them we gathered the information of what they desired in a hospital of this type, and incorporated their ideas in our plans.

Mr. BENNET. Was the work pushed speedily?

Mr. GARDEN. We worked, of course, day and night. The information given was that it was an emergency, and that it was the wish of Gen. Noble that the hospital be pushed to completion at the earliest possible moment.

Mr. BENNET. Did you have any conversations with Col. Wright in relation to the matter during those two weeks?

Mr. GARDEN. I visited Col. Wright's office several times during those two weeks. I think Col. Wright called at the office where we were working and looked at our drawings once or twice. We were in constant consultation with Capt. Cutler, of the Surgeon General's Office, and Maj. Voorhees, of the same office, and Lieut. Col. Kramer, of the same office.

Mr. BENNET. On the 31st of August your preliminary plans had been completed, and you were also informed that the draft of the contract was completed. Is that correct?

Mr. GARDEN. Yes. I would like to add that when we had reached the point where our preliminary plans were about complete a conference was held in the drafting room of the Surgeon General's Office, at which were present Gen. Noble, Lieut. Col. Kramer, Maj. Voorhees, Capt. Cutler, Mr. Wheelock, Mr. Erskine, Mr. Erickson, of my office, and myself. And there the plans were gone over by these officers with a view of giving us their approval. A few minor changes as to location of doors and such minor matters were made at the request of the officers, and they expressed themselves then as satisfied with the preliminary drawings and asked us to go to the Construction Division to see if the drawings met with their approval. We then took the drawings and specifications to the Construction Division and submitted them to Col. Wright, and went through a similar process, and were assured that the drawings substantially represented their wishes and that while they were preliminary drawings, they would be, because of the emergency, satisfactory to the Construction Division as a basis for a contract on the understanding that they would be further developed in the finished working drawings by an architect to be selected by the Government and employed by the Government.

Mr. BENNET. Did anything occur on the 31st of August in relation to your severing your connection with the Shank Co.? If so, state what happened.

Mr. GARDEN. Yes: Col. Wright stated to Mr. Erskine and myself in his office that the situation as it stood of Schmidt, Garden & Martin acting as architects of the building in the employ of the contractor was not an ethical one and that the Government would not tolerate such an arrangement; that if the Government was to have a building built, they would want the work to be planned and carried on under the supervision of their own architects; that they would therefore ask us to resign all association with the Shank

Col. and that they would then appoint us as their representatives to make the finished working drawings and supervise the construction of the building. We stated that that was entirely satisfactory to us and that we would be glad to assist in any way.

Mr. BENNET. Was Maj. O'Brien called in and a resolution drawn?

Mr. GARDEN. Maj. O'Brien was called in and made a draft.

Senator HARDWICK. It might save you a little time. Those things have been well established.

Mr. BENNET. We like to prove a thing two or three times. What, if anything, did Col. Wright say about the 31st of August about going ahead with the work there, to either Mr. Shank or to Mr. Schmidt, in your presence?

Mr. GARDEN. On the 31st and at previous conferences with Col. Wright, the question of time was constantly discussed. It was the understanding of all of us that speed was the great essential.

Senator HARDWICK. In order to get this hospital ready for use?

Mr. GARDEN. In order to get this hospital ready for use on or about Christmas time. Col. Wright said to me on one occasion, "You know that it will take you at least 30 days to make those plans." And I said, "Well, admitting that, do you not think that there ought to be a little extension of the contract to allow us two weeks to do it?" He agreed that was a reasonable suggestion, but instead of two weeks they added 10 days, which made the whole thing 100 working days instead of 90 days. I told him that in order to get the contract going at the earliest possible moment, we should return to Chicago as soon as possible. The matter had reached a point where they could proceed to work, to prepare even the excavation plans and the foundation plans, to get just a little ahead of the work, so that we might in the course of the next two weeks have our plans ready and not delay the construction. He agreed that that was necessary, and after the contract had been signed by Mr. Shank on the 31st day of August, we, Mr. Schmidt and I, having previously sent Mr. Erickson back, wired our office to have all the men there on Sunday. We left for Chicago, and Col. Wright, I am confident, knew that we were going, and that our intention was the earliest time to do exactly that.

Senator HARDWICK. Would that mean pushing the construction work on the hospital?

Mr. GARDEN. It was for the purpose of getting out the plans so that the contractors could begin putting in the necessary materials.

Mr. BENNET. What, if anything, did Col. Wright say to you about the legal status of the contract after Mr. Shank had signed it on the 31st, and what the practices were as to whether he would consent to you two leaving Washington on Saturday without something more definite?

Mr. GARDEN. Col. Wright said that we were not taking any chances.

Senator HARDWICK. He used those words?

Mr. GARDEN. I think those were his words. He said, "If you want to take a chance and start work, I think you will be safe." It was our feeling, not only at that meeting, but through some weeks, that the Construction Department and the Surgeon General's Office were responsible for the details of the originating of such projects and that when their approval had been made and they had made the



recommendation, or asked permission from the War Office to proceed with such a structure, that the approval would follow in due course. I think the statement was made, although I can not state positively who made it, that in no case where a project had reached that stage had the consent from above been refused them.

Mr. BENNET. When you got back to Chicago, on the morning of Sunday, September 1, did you start in then?

Mr. GARDEN. Mr. Erickson met me, and we went to work then, and Mr. Schmidt came along in the afternoon.

Mr. BENNET. How many hours a day did you work, and how long?

Mr. GARDEN. We produced the force in two weeks from that time, and we worked day and night about 25 men.

Mr. BENNET. You worked 24 hours a day?

Mr. GARDEN. No; we had a little sleep.

Mr. BENNET. And you produced all the detailed plans by what time?

Mr. GARDEN. We drew the detailed plans and I returned to Washington with them on the 16th.

Mr. BENNET. Have you them here?

Mr. GARDEN. In Washington; not here in the room.

Mr. BENNET. Were those plans brought to the attention of any one of the Government officials?

Mr. GARDEN. When I returned with the plans to Washington I took them at once to the Surgeon General's office—one set of them—and submitted them for their approval. Another set I immediately inclosed to the Construction Division, Mr. Marshall's office, where I left them for his approval, the plans and specifications. I then stayed in Washington about two weeks, and a few days after my arrival the Surgeon General's office approved those plans. I am not quite positive whether the plans bore the signature or whether it was approved by the Construction Division in the form of a letter. The plans would show. The Construction Division took longer. They wanted their specifications and the plans, and I had many interviews with Maj. Bird and Maj. Solomon and, I think, Col. Wright, although my impression is that he was out of the city at that time, for some of the days, but finally the plans and specifications were stamped "Approved by the Construction Division, by Maj. H. I. Bird."

Mr. BENNET. You have those plans?

Mr. GARDEN. In the hotel; yes.

Mr. BENNET. The plans for the additional 27, or whatever the number of buildings is that were subsequently asked for, they were not drawn by you, were they?

Mr. GARDEN. The only plans drawn by us were for the main building and the power house, administration building, kitchen, laundry, and storehouse, and the other buildings, completing the whole group, were located on a plot-plan diagram of the whole proposition and given the numbers of the standard plans of the Surgeon General's office, and it was our intention to construct them through the Surgeon General's plans without making new plans.

Mr. BENNET. So that for those buildings you took the Speedway plans and the Surgeon General's office plans, by which they construct all similar buildings, in all similar hospitals?

Mr. GARDEN. Yes.

Mr. BENNET. Was a hundred days a short length of time?

Mr. GARDEN. Yes; very short.

Mr. BENNET. Was it not the largest fireproof hospital building in America, if not in the world?

Mr. GARDEN. To my knowledge; yes.

Mr. BENNET. Was that the last interview that you had with any Government official, the one when the plans were approved?

Mr. GARDEN. I remained in Washington a few days after that, waiting and hoping that the formal approval, which we had not received, would come.

Mr. BENNET. The approval of the contracts?

Mr. GARDEN. But it did not, and I returned to Chicago.

Mr. BENNET. In the meantime there is no doubt, is there, that the construction of the Speedway Hospital has continued from the start right on?

Mr. GARDEN. Yes.

Mr. BENNET. I think I fell into error the other day with the committee, and I will ask you to expose it. There are two inspectors supervising the work at the Speedway with the idea of seeing that the work is done in accordance with the specifications?

Mr. GARDEN. Yes.

Mr. BENNET. Who are they?

Mr. GARDEN. They are men from our office.

Mr. BENNET. What are their names?

Mr. GARDEN. We have had almost constantly Mr. Fitzgerald; and the other man I do not remember, but Mr. Schmidt can possibly tell.

Mr. BENNET. It is not material.

Mr. GARDEN. And we have had there our Mr. Dutcher, and Mr. Potter, too, from time to time as needed.

Mr. BENNET. So when I said to the committee that these men were Government employees I fell into error.

Mr. GARDEN. They were ours.

Mr. BENNET. Being paid by you?

Mr. GARDEN. Being paid by us.

Mr. BENNET. Have you been connected with the Cubs Ball Park proposition.

Mr. GARDEN. Yes; our office at the request of Mr. C. H. Thorne, of Chicago, prepared some preliminary sketches and made some estimates for two fireproof hospitals for Chicago to be known as the Cubs Ball Park Hospital.

Mr. BENNET. It was to be known as the Cubs Ball Park Hospital, was it not?

Mr. GARDEN. Yes.

Mr. BENNET. Toward the acquisition of that hospital it was contemplated that generous-minded citizens such as J. Ogden Armour, would contribute so as to bring down the cost to a low figure?

Mr. GARDEN. In order to save the time of the committee on that subject, on that proposition, I will state that Mr. Schmidt knows almost nothing about it, and I know absolutely nothing.

Mr. BENNET. Are you connected in any way with the wooden hospital at Fort Sheridan?

Mr. GARDEN. Our office is employed by the Construction Division as consulting engineers, I think they call us, of the Fort Sheridan Hospital, the Cooper-Monitor, and the West Baden.

Mr. BENNET. Did you draw the plans for the Fort Sheridan Hospital?

Mr. GARDEN. The Fort Sheridan Hospital is built through the Surgeon General's Office, special plans, the conversion of old barracks. We made drawings.

Mr. BENNET. But the new wooden construction is what is known as the Surgeon General's office plan?

Mr. GARDEN. Yes.

Mr. BENNET. It is a matter of architectural knowledge that the Secretary of War appointed a commission of three well-known architects to pass on the standard plans?

Mr. GARDEN. I have heard that a commission was appointed. I think that is the matter you refer to, to make a report on that.

Mr. BENNET. I do not know what the report is. What are the names of those gentlemen?

Mr. GARDEN. It is all hearsay on my part, but I understand that Mr. Butler, of New York—

Mr. BENNET. Do you know his first name?

Mr. GARDEN. No; I do not. Mr. Schmidt knows about this matter better than I do.

Mr. BENNET. Then I will not ask you that.

You have been out to the Fort Sheridan Hospital?

Mr. GARDEN. Many times.

Mr. BENNET. Many times. Of course, it is almost idiotic to ask the question, as factors of fire safety, there is no comparison, is there between the Speedway proposition, under the Shank contract, and the Fort Sheridan wooden buildings?

Mr. GARDEN. Of course, the fireproof structure is safer than the wooden.

Mr. BENNET. If these buildings were not attended by so many people, presumably people on guard there at night, would you regard it as a fire-safe building, located where it is?

Mr. GARDEN. Do you refer to the new wooden buildings?

Mr. BENNET. Yes; the new wooden construction.

Mr. GARDEN. I think any nonfireproof structure, built of inflammable materials, depend to a very large extent for safety on the fact that it is personally guarded by people wide awake—and lots of them—and if they have a personal element, and that guard is relaxed, then they revert to their original condition as a menace and are dangerous.

Mr. BENNET. You do not think that fire walls and such things as that in buildings of that character, disassociated with the human elements, constitute sufficient safety against fire?

Mr. GARDEN. All precautions help. That is all I can say.

Mr. BENNET. Is that a region where there are high winds in the winter?

Mr. GARDEN. It is close to the lake shore, and they get good stiff breezes.

Mr. BENNET. Are the fire conditions such that the wounded inmates are put around anywhere in wooden buildings?

Mr. GARDEN. I do not know that.

Mr. BENNET. You are not prepared to say whether that is so or not?

Mr. GARDEN. No.

**Mr. BENNET.** In relation to sanitary facilities, is there any difference between the reconstructed brick buildings and the wooden buildings?

**Mr. GARDEN.** Yes; in the reconstructed barracks it was decided by Capt. Cutler, of the Surgeon General's Office, that because of the large number of patients to be housed, close to 5,000, that it would be saving the room of 1,500 to 1,800 if some of them could be housed in the reconstructed barracks, and that those men would be the men whose wounds or sickness would be such that they could walk more readily to the toilets which are in the basement, and that therefore the full complement of toilet fixtures and utilities that would ordinarily be required for that number of men would not be required on the first and second floors. The reason for that is that in those buildings there existed ample toilet facilities, but they were in the basement, and it was felt that we could save a lot of money by not duplicating it on the next two floors, and because of the large size enough patients could be found to fill the buildings on this basis.

**Mr. BENNET.** This resulted in putting the patients who were able to take care of themselves in the brick building and the others in the wooden buildings?

**Mr. GARDEN.** So far as their ability to take care of themselves, I should say that would be the situation.

**Mr. BENNET.** So that the bedridden patients would be housed in the wooden buildings?

**Mr. GARDEN.** Yes. I would state there, however, that the reconstructed barracks have only brick walls. The floors and partitions are still of wooden construction, and stairs.

**Mr. BENNET.** Are you able to say which would be the safer, the brick exterior, filled with pine, or buildings constructed almost entirely of wood?

**Mr. GARDEN.** I should say that those buildings with brick walls would retard a fire a little more than those which had no brick walls.

**Mr. BENNET.** Would either of those buildings be permitted to be constructed within the fire limits of the city of Chicago?

**Mr. GARDEN.** I think the ordinances of the city of Chicago—I am not quite clear—demand that hospitals be fireproof.

**Mr. BENNET.** Maybe Mr. Schmidt would know that.

**Senator HARDWICK.** I think maybe we can shorten some of this investigation if the other members agree. Of course, we understand the relevancy of this in a way. We suppose the proceeding is to establish that the hospital had no possible demerits that would cause its rejection. We are all inclined to believe that. So let us try to shorten the hearing on that point.

**Mr. BENNET.** I would like to identify these pictures. Are these pictures of the Fort Sheridan Hospital at one stage of its construction. [Witness was shown photographs.]

**Mr. GARDEN.** Yes, sir; I think that is Fort Sheridan.

**Senator HARDWICK.** As I understand it, your firm has had large experience in construction work; that is, the architectural end of it.

**Mr. GARDEN.** Yes, sir.

**Senator HARDWICK.** And a great deal for the Government, too?

**Mr. GARDEN.** We have been connected with the Government all the time that I spoke of after my visit here. They employ us as consulting engineers on this proposition.

Senator HARDWICK. As you have been employed as consulting engineers and helped in this matter here, I want to ask you the question in a general way, as a business proposition, considering the facilities that would be furnished, the amount of money that would be paid for it, would the Speedway proposition be a good proposition for the Government?

Mr. GARDEN. In our opinion, we could not have duplicated it for that money. It was an exceedingly cheap proposition for the Government.

Senator HARDWICK. As I understand your testimony and the testimony of a number of gentlemen, at the time they were making all these preparations that you speak of, all these negotiations, there was a great feeling that these wounded soldiers might be brought back here, and there might be a great demand for the space, and the speed with which this could be constructed was an element that entered into it?

Mr. GARDEN. We were told that the Surgeon General expected 4,000 or 5,000 men in a few months.

Senator HARDWICK. Then, if this was a splendid business proposition for the Government, that is what we want to know—why was it rejected?

Mr. GARDEN. Precisely.

Senator HARDWICK. And you feel that it was the best that could be produced for the money?

Mr. GARDEN. I am sure that it could not have been duplicated.

Senator BECKHAM. What about the location of it—the ground—was it suitable for hospital purposes?

Mr. GARDEN. We examined it and concluded that it was absolutely acceptable.

Senator BECKHAM. Was it low or marshy?

Mr. GARDEN. It was not low and marshy. It had a slope directly to the river, and we established from records what the high-water mark in the river had been and found that in the history of 30 years or more it had not come within 6 feet of the top of the banks of the river, and I know from personal observation that farther down the river the lowland was found to take, as it always did, what overflow there was. Therefore this ground could not be swampy.

Senator BECKHAM. Did you consider it in all respects suitable for the location of a hospital?

Mr. GARDEN. I would have preferred it to be a more beautiful site. But I was prepared, if the Government asked us, to employ a landscape architect to put in the necessary planting. In that respect it was deficient. It was not beautiful, but as a healthy piece of ground, convenient to the city, we felt that it was absolutely suitable.

Senator HARDWICK. It was well elevated, well drained? It was all right in that respect?

Mr. GARDEN. The record showed that it was between 30 and 40 feet above the level of the sidewalks of Chicago.

Senator HARDWICK. As an architect, used to figuring on prices, you say that you regard the price as exceedingly moderate and believe that it could not be duplicated?

Mr. GARDEN. Exactly. That was based on our past experience.

Senator LENROOT. Have you testified as to what your present relationship is to the hospital now?

Mr. GARDEN. We prepared the plans and are patiently waiting for the Government to complete their contracts with us to act as their architects. At the present we have no status. We are paying our expenses and getting nothing out of it.

Senator FRANCE. What was the nature of your contract? You stated that you were dismissed by the Shank Co. after the passage of the resolution to that effect, but I do not know that you developed the nature of your contract with the Government.

Mr. GARDEN. I stated that we were to be employed by the Construction Division as supervising architects, in that capacity.

Senator FRANCE. There was no writing to that effect?

Mr. GARDEN. There was no writing, but we were told that it would be safe to take a chance, and save the money.

Senator LENROOT. There was no agreement as to compensation?

Mr. GARDEN. We were told that we would receive a contract similar to the standard form which the department had, and the amount of which we were never told what it would be. It was to be based upon our expense plus a fee for personal services, but it was also explained that that fee would not be anything like what the fee an architect would get reasonably from his client on anything other than a Government contract.

Senator LENROOT. You simply went ahead and relied on the Government being fair with you?

Mr. GARDEN. We wanted to do what we considered an important war service whether we received anything out of it or not.

Mr. BENNET. As a matter of fact, that tract is 46 feet above the lake level, is it not?

Mr. GARDEN. I said 35 or 40 feet.

Mr. BENNET. You said above the sidewalks of Chicago.

Mr. GARDEN. It would be more than that for the lake, I imagine.

Mr. BENNET. If I state it to you that it is the highest point of land in Cook County, would that be correct?

Mr. GARDEN. I could not say.

Senator FRANCE. Mr. Garden, have you any letters which passed between your firm and the Government which would indicate that some sort of an informal contract had been entered into? I presume that you had correspondence with the department with reference to the work?

Mr. GARDEN. We have no correspondence in regard to that contract, but we have correspondence in regard to the fact that they expected to employ us, and that they knew what we were doing.

Senator FRANCE. Of course, I realize that you have no letter which could be construed as a contract, but it would seem to me that if letters were passing back and forth they might be of such a nature as to seem to take it for granted that some sort of an agreement had been made.

Mr. GARDEN. I think Mr. Schmidt has the documents on this.

Senator HARDWICK. Is he down here?

Mr. GARDEN. Yes; he is right here.

Senator HARDWICK. Well, we will excuse you, with thanks for your attendance.

(Thereupon at 1 o'clock p. m. the subcommittee took a recess until 2 o'clock p. m.)

## AFTERNOON SESSION.

The subcommittee met at 2.10 o'clock p. m., pursuant to the taking of the recess.

Senator HARDWICK. Gentlemen, a quorum of the committee is present, and the committee will be in order.

Mr. BENNET. Mr. Chairman, I would like to renew my motion that the so-called Lorimer reference be stricken from the record. I would like to call attention of the committee to the fact that this matter was passed on in the Senate eight years ago when it was made a part of the record of the hearings that the subcommittee adopted the following resolution:

It is not proved that Edward Hines raised \$100,000 or any other sum, or that he expended that or any other sum, or that he contributed any sum whatever to aid in or secure the election of William Lorimer to the United States Senate. The evidence is that he did not raise, contribute to, or expend said sum, or any sum of money whatsoever, to aid or assist improperly in the election of Senator Lorimer.

Senator HARDWICK. Mr. Bennet, as the Chair said this morning, we do not want to be discourteous to anyone, but this committee is going to insist—of course we will let you read that—that the discussion of the Lorimer case or Mr. Hines, or his alleged connection with it, if he had any, has no room in this case.

Mr. BENNET. I will state for the guidance of counsel that Mr. Garden does not claim any acquaintance with Mr. Trainer, never met him personally, and has no knowledge of the facts alleged against Mr. Trainer.

Senator HARDWICK. It is troublesome enough to deal with these matters that we have to without going off on to something with which we have nothing to do.

Senator LENROOT. What did you mean by your motion to strike from the record? It will have no effect upon this committee.

Mr. BENNET. All right.

Senator HARDWICK. Now, Mr. Bennet, it was understood that after you finished with the last witness, Mr. Adcock desired to cross-examine Mr. Newman.

## TESTIMONY OF MR. JACOB NEWMAN—Resumed.

Senator HARDWICK. The committee will allow you, Mr. Adcock, to make such cross-examination as you please about matters which relate to Mr. Newman's connection with this matter and his allegations concerning Mr. Trainer and Mr. Clark.

Mr. Adcock. You say you have represented Mr. Hines for a great many years, have you not?

Mr. NEWMAN. I think I have done a good deal of Mr. Hines' legal work, especially the legal work of the Edward Hines Co., for probably 10 or 15 years.

Mr. Adcock. Do you remember the exact date—you say it is May or June—when this matter of the Speedway was taken up with the Government?

Mr. NEWMAN. No, sir. I can not recall the exact date when we were first asked to assist in the matter. My partner, Mr. Poppenhusen, came to Washington twice on the matter before I had anything to do with it.

Mr. ADCOCK. And when was the first time you had anything to do with the matter?

Mr. NEWMAN. My best recollection is that I came to Washington about the middle of August, as far as I can now recall.

Mr. ADCOCK. Except as to the conversations that you had?

Mr. NEWMAN. Oh, yes; we had numerous conferences in Chicago at my office.

Mr. ADCOCK. But when was the first time that you individually took up the matter either in Chicago or Washington?

Mr. NEWMAN. I can not fix the date.

Mr. ADCOCK. The first time—I am not asking the date—was the time you were playing golf on the West Side?

Mr. NEWMAN. No.

Mr. ADCOCK. Before that?

Mr. NEWMAN. Before that.

Mr. ADCOCK. Do you remember in May or June before the conversation that you have mentioned here with Mr. Trainer and Mr. Clark, do you remember with whom, with what official of the Government, the Speedway project was taken up?

Mr. NEWMAN. I was not in Washington, and therefore I do not know. My recollection now is that the first time I had anything to do with the matter I was presented with a rough draft of what was called the proposal, and I went over that proposal, changed it and altered it, and put it in such shape as I thought proper. That is the first work that I can recall I did in this matter.

Mr. ADCOCK. You think that was in August?

Mr. NEWMAN. No; that was earlier.

Mr. ADCOCK. Prior to the 1st of July?

Mr. NEWMAN. Yes.

Mr. ADCOCK. Do you remember whether that proposal had reference to the construction of a hospital or warehouse or something like that for the Ordnance Department?

Mr. NEWMAN. That proposal covered the construction of a hospital upon what is known as the Speedway Park, utilizing the then standing steel grandstand upon the ground.

Mr. ADCOCK. That was to be a frame structure, was it?

Mr. NEWMAN. As I recall it, that was to be the frame of the structure.

Mr. ADCOCK. When I say "frame" I mean that it was to be constructed principally of wood?

Mr. NEWMAN. Oh, no.

Mr. ADCOCK. That is the first proposal?

Mr. NEWMAN. No, sir.

Mr. ADCOCK. It was all to be fireproof?

Mr. NEWMAN. Complete fireproof structure, from the foundation to the roof.

Mr. ADCOCK. That had in mind the utilization of the steel that is now in the Speedway or was in the Speedway building?

Mr. NEWMAN. That steel structure was what they called the grandstand. It was of steel and concrete, and that was to be the basis of the building.

Mr. ADCOCK. The structure that is being put up now does not use that?



Mr. NEWMAN. I do not know. I am not an architect. I have never seen it.

Mr. ADCOCK. I did not know but perhaps you had a proposal that was later considered sometime in August.

Mr. NEWMAN. Oh, that proposal which I drafted originally was modified, conservatively speaking, at least half a dozen times, and possibly as often as 10 times. I made various suggestions that were presented from time to time. I changed it three or four times when I was in Washington. No; I do not think that is accurate. Probably twice while I was in Washington.

Senator LENROOT. Was that any change in the general scheme or detail?

Mr. NEWMAN. No; not in detail. I think the original building was a 3-story structure, and then it was changed to a four-story structure.

Mr. ADCOCK. Do you remember who presented the matter in the first place to the War Department; that is, prior to July?

Mr. NEWMAN. I can only tell you that from what I was told. I had no personal knowledge on the subject, and I did not see Secretary Baker. I think I never saw Secretary Baker.

Mr. ADCOCK. But you think Mr. Poppenhusen would know about that? He was here at Washington.

Mr. NEWMAN. I can only answer that by saying that from what he told me I am quite sure he never saw Secretary Baker.

Mr. ADCOCK. But you do not know the name of the official—the Army official—that was presented to you?

Mr. NEWMAN. I do. Originally?

Mr. ADCOCK. Yes.

Mr. NEWMAN. It was Secretary Baker. My understanding is that it was presented for the first time when I became interested in it as counsel, it was presented to the Government first direct to Secretary Baker. Now, what occurred prior to my being connected with the matter I do not know.

Mr. ADCOCK. Do you know who was present at the time of that presentation?

Mr. NEWMAN. My understanding is that Mr. A. D. Erskine received a letter of introduction to the Secretary, and he presented the project direct to Secretary Baker, who then issued an order directing the Surgeon General's Office to take the matter up.

Mr. ADCOCK. That was some time in May?

Mr. NEWMAN. Yes; and that is probably what Col. Wright meant when he said it came in by the back door.

Mr. ADCOCK. Where does Mr. Erskine live?

Mr. NEWMAN. In Chicago.

Mr. ADCOCK. Now, did you ever make any affidavits, any charges that were to be presented to Secretary Baker?

Mr. NEWMAN. I never knew of any being presented to Secretary Baker.

Mr. ADCOCK. You did not know of any affidavits?

Mr. NEWMAN. Yes.

Mr. ADCOCK. Did you make any affidavits?

Mr. NEWMAN. No; Maj. Stotesbury had been designated by Gen. Chamberlain, the Chief of Staff, who in turn had been appointed by

the Secretary of War to make a complete investigation of this Speedway matter. Maj. Stotesbury examined me, and I gave a deposition upon a number of subjects. This was included.

Mr. ADCOCK. Do you know whether any complaints, written complaints or affidavits, were presented to Secretary Baker upon which this order was issued to Gen. Chamberlain to investigate the matter?

Mr. NEWMAN. Do you want me to tell what I know about it?

Mr. ADCOCK. Yes; just what you know.

Mr. NEWMAN. When we had the trouble with Assistant Secretary of War Crowell we naturally were trying to ascertain what the trouble was with this project, which we believed to be meritorious. We had a number of conferences in Washington, Mr. Hines and myself, and Mr. Shanks, and others, and during many of these conferences Mr. Trainer's name was mentioned. Of course, I had told Mr. Hines of the conferences I had with Mr. Trainer and Mr. Clark. And Mr. Hines insisted that Trainer had something to do with these obstructions, and he wanted to disclose these facts to the Government. I urged him not to do so at that time, because I was afraid that if a matter of this kind was interjected everybody in the department would become suspicious, and the result might be very injurious to the project, and I urged him not to do it, and I may add that he promised me he would not. But it seems that he had an interview with Mr. Baruch, of the War Industries Board, trying to find out what was stopping this project; what the reasons were. He had been told that Mr. Baruch was opposed to it, and therefore he wanted to see Mr. Baruch. Mr. Baruch told him that he was heartily in favor of the project, and then Mr. Hines, forgetting what I had advised him, told Mr. Baruch the Trainer episode. Then Mr. Baruch insisted that it was Mr. Hines's duty to disclose the facts to the Secretary of War. Mr. Hines had a conference with the Secretary of War and disclosed the facts. What I have just stated is what Mr. Hines reported to me. Personally, I have no knowledge of what occurred.

Mr. ADCOCK. Do you know when this was, Mr. Newman?

Mr. NEWMAN. This was some time in October, when we were struggling with Mr. Hare.

Mr. ADCOCK. Do you know whether this was before or after you had had that conversation with Maj. O'Brien, in which you stated that you had talked with Maj. O'Brien about these things?

Mr. NEWMAN. My present recollection is that my talk with Maj. O'Brien occurred prior to Mr. Hines's talk with Mr. Baruch.

Mr. ADCOCK. Can you tell me the exact date, if you recall, or as near as you can, when you had your conversation with Maj. O'Brien?

Mr. NEWMAN. I can only give you the substance.

Mr. ADCOCK. I am asking you for the date.

Mr. NEWMAN. The date? I think my talk with Maj. O'Brien was some time in September.

Mr. ADCOCK. The latter part of September?

Mr. NEWMAN. I would not want to be accurate about that.

Mr. ADCOCK. Well, then, this was before Mr. Hines's conversation with the Secretary of War?

Mr. NEWMAN. But I asked Maj. O'Brien to say nothing about it, and I gave him my reasons.

Mr. ADCOCK. Now, what was Maj. O'Brien's connection; what department is he in; what bureau or division?

Mr. NEWMAN. Maj. O'Brien was the counsel in what is known as the Construction Division, if I designate the department correctly; Col. Wright's division, the general adviser of that department and the gentleman who drew this draft of the contract.

Mr. ADCOCK. What did he say when you told him of the occurrences that you have mentioned?

Mr. NEWMAN. I prefer not to say what he said. Unless the committee insists on that, I do not think I ought to say. If Maj. O'Brien wishes to say so, of course, he is at liberty. He is here in Washington.

Senator HARDWICK. He will probably be called.

Mr. NEWMAN. I had a sort of private talk with him.

Senator HARDWICK. And you have some scruples?

Mr. NEWMAN. I would not even say that I disclosed the matter to Maj. O'Brien until I got his permission to do so. I asked for his permission and he gave me permission.

Mr. ADCOCK. Is Maj. O'Brien an Army officer?

Mr. NEWMAN. Yes; he is a major.

Mr. ADCOCK. Is he in the Reserve Corps, do you know?

Mr. NEWMAN. That is too much for me. I can not tell.

Mr. ADCOCK. Does he live in Washington?

Mr. NEWMAN. Yes; he is a Kansas City man. He is a Chicago boy who read and practiced law in Chicago until he was about 27 or 28, and then he went to Kansas City.

Mr. ADCOCK. This report that you drew which was given to Assistant Secretary Hare, when was that presented to Secretary Hare?

Mr. NEWMAN. I do not know what report you refer to.

Mr. ADCOCK. I remember, as I understood it, in your direct examination, you referred to some report of Secretary Hare.

Senator HARDWICK. The history of the Speedway project.

Mr. NEWMAN. The history of the Speedway project, and when was that presented?

Mr. BENNET. September 30 was the date.

Mr. NEWMAN. My recollection is that that document was dated September 30.

Senator HARDWICK. That is right. I remember it.

Mr. NEWMAN. September 30. That document was prepared purely for private circulation. It was intended alone for United States Senator Lewis.

Senator HARDWICK. For his information?

Mr. NEWMAN. For his information. I wanted him to know the facts as we understood them, and Mr. Hines really ought never to have handed that document to Secretary Hare. Probably if he had not there would not have been any of that excitement to which I referred this morning. He did it, thinking it was all right, and he gave it to him, gave it to Secretary Hare, I think, on the 1st day of October, 1918, about noon.

Mr. ADCOCK. Was there any reference in that document to Mr. Trainer?

Mr. NEWMAN. No, sir.

Mr. ADCOCK. You say you were playing a fine game of golf on the 27th of June?

Mr. NEWMAN. I thought I was.

Mr. ADCOCK. Do you remember with whom you were playing? It must have been somebody you could beat.

**Mr. NEWMAN.** May be. Yes, sir; I played—I was the guest of Mr. Frank Thomas, the senior member of the firm of A. O. Slaughter & Co., and Mr. William Davies, the manager of the Bank of Nova Scotia, and a gentleman named Mr. Hamilton, a friend of theirs. We played a four-some. Will Davies and I played against Thomas and Hamilton.

**Mr. ADCOCK.** As I recollect, you say at that time you had never met either Mr. Trainer or Mr. Clark?

**Mr. NEWMAN.** Let us see. That was on the 27th day of June. I know that date accurately, because I took the trouble to examine the visiting book of the Oak Park Country Club. That is the club, and Mr. Davies registered my name on the 27th of June, 1918, the only time I ever was at the club, and that is what fixes that date so definitely in my mind.

**Mr. ADCOCK.** When did you examine this visiting book to ascertain that date?

**Mr. NEWMAN.** About a week ago.

**Mr. ADCOCK.** You went out to the club?

**Mr. NEWMAN.** No; Mr. Davies was kind enough to have the professional that has charge of the club in the winter bring the book into town. I want to add further that I have no recollection of ever seeing Mr. Trainer in my life until I met him after the golf episode, though it is proper for me to say that our records show that on June 25—

**Mr. ADCOCK** (interposing). What do you mean by "our records"?

**Mr. NEWMAN.** Our books; my books. They show that on June 25, 1918, Mr. Trainer, Mr. Shank, the architect, Wheelock, Mr. Poppenhusen, my partner, and myself were in Mr. Poppenhusen's room. I have tried my level best to recall that meeting. I have talked to Mr. Wheelock about it, who remembers it, and Mr. Shank remembers it, and they tell me that the plans were being examined, but I can not for my life remember anything that occurred or that I was at that meeting. But there is a memorandum in the book which makes it absolutely sure that there was such a meeting.

**Senator HARDWICK.** And that Mr. Trainer was present?

**Mr. NEWMAN.** Yes.

**Senator LENROOT.** Does your office keep a record of everything that occurs?

**Mr. NEWMAN.** Yes; our charge book.

**Senator LENROOT.** Would that show who was present?

**Mr. NEWMAN.** Yes; but I can not recall the meeting. I can not recall what occurred, and the only way I can explain it is that the meeting took place in Mr. Poppenhusen's room between the other four gentlemen, and that I may have been in for a few minutes and out.

**Senator LENROOT.** Enough to help out on the additional charge?

**Mr. NEWMAN.** Yes, Senator; that is probably it. But I can not recall. Now, there at that meeting on June 25, or June 27, or the day following, somebody in that room introduced me to Mr. Trainer, and Mr. Trainer stated, "Why I have known Jake Newman"—as they call me in Chicago—"a long time." But I could not recall that I had ever met him or seen him.

**Senator HARDWICK.** Let me ask this question: When Mr. Hines came out to this country golf club—

Mr. NEWMAN. He telephoned.

Senator HARDWICK (continuing). Or telephoned out to tell you of this attempt of Mr. Trainer at that time, did you have any recollection in your mind of knowing Mr. Trainer?

Mr. NEWMAN. No; and I stated to Mr. Hines that I had no recollection of ever having seen Mr. Trainer.

That is a curious incident, and I do not know how to explain it except as I have explained it to you gentlemen. I simply can not recall that meeting.

Mr. ADCOCK. Mr. Newman, then it was in the first meeting with Mr. Trainer that you had this conversation about commissions?

Mr. NEWMAN. No; I have explained that the first meeting must have taken place—the charge is on the 25th. His name is mentioned. Nothing was said at that meeting about commissions, because if it had I would have remembered. I could not have forgotten that.

Mr. ADCOCK. If you had been at that meeting, you would have met Mr. Trainer, would you not?

Mr. NEWMAN. Surely.

Mr. ADCOCK. Do you remember whether it was at the first meeting that you had with Mr. Trainer, the first time that you ever saw him or that you were introduced to one another that this conversation about commissions took place?

Mr. NEWMAN. That is my personal recollection, June 27. I am dead sure that the first time the subject of commissions or compensation ever was discussed, and the only time that Mr. Trainer was at that meeting was June 27.

Mr. ADCOCK. But you can not recall whether it was on the occasion of that first meeting with Mr. Trainer when you were introduced to him?

Mr. NEWMAN. I said to you, Mr. Adcock, that the only meeting that I can recall is the meeting where that conference took place.

Senator HARDWICK. After you had a telephone message from Mr. Hines?

Mr. NEWMAN. Yes.

Mr. ADCOCK. But your records show, and you say, as I remember now, that there must have been a meeting on the 25th of June.

Mr. NEWMAN. All I can say is that the records so show.

Mr. ADCOCK. Do your books show anyone else present at the meeting on June 25 besides the gentlemen that you have mentioned—Mr. Shank, Mr. Trainer, and Mr. Clark?

Mr. NEWMAN. Mr. Clark was not there.

Mr. ADCOCK. Just Trainer?

Mr. NEWMAN. When I say that he was not there, the books do not show it.

Mr. ADCOCK. The books do not show it. Was anyone else present?

Mr. NEWMAN. Mr. Poppenhusen, Mr. Wheelock, the architect, Mr. Trainer, and Mr. Shank.

Mr. ADCOCK. Anyone else?

Mr. NEWMAN. The books show nobody else—and myself.

Mr. ADCOCK. Who was present at this meeting after the first meeting that you describe, after June 27?

Senator HARDWICK. When the commission question was discussed?

Mr. NEWMAN. Mr. Trainer, Poppenhusen, Clark, myself, and another gentleman.

fr. ADCOCK. What was his name?

fr. NEWMAN. His name was Hodge.

fr. ADCOCK. And this conversation that you have described with reference to commissions took place in the presence of these gentlemen?

fr. NEWMAN. Yes, sir.

Senator HARDWICK. Where does Hodge live?

fr. NEWMAN. Chicago.

fr. ADCOCK. Is he here?

fr. NEWMAN. I understand he is in Washington.

Senator LENROOT. Who is Mr. Hodge?

fr. NEWMAN. I understand he is in the Government service.

fr. ADCOCK. Was Mr. Shank present at that meeting?

fr. NEWMAN. No, sir.

fr. ADCOCK. Anyone else?

fr. NEWMAN. Now, you are talking about the meeting after the 27th?

fr. ADCOCK. Yes.

fr. NEWMAN. That answer would not be accurate unless I could draw your attention to a meeting in our office held on July 2 after the compensation meeting.

fr. ADCOCK. I will get to that, Mr. Newman, if I may.

fr. NEWMAN. Counsel did not ask me about that this morning, and I did not voluntarily answer.

fr. ADCOCK. Now, how did Mr. Clark and Mr. Trainer and Mr. Hodge happen to come to your office at the time you mention? I suppose it was June 28, was it not?

fr. NEWMAN. I can not tell the date. It may have been on the afternoon of June 27.

fr. ADCOCK. I presume your books show the date?

fr. NEWMAN. No.

fr. ADCOCK. They do not show this meeting after June 27th?

fr. NEWMAN. The books on June 27 show that I had a conference with Mr. Hines and, I think, Mr. Shank. On the 28th the books show that I devoted the greater part of the day to the Speedway Club, but it mentions no names. I forget whether on the 29th there was a charge or not, but I am inclined to think there was; but neither Mr. Trainer nor any of those others were mentioned.

fr. ADCOCK. What do your books say with reference to the meeting of July 2?

fr. NEWMAN. The books show, and I clearly remember what took place on July 2. On the afternoon of July 2 there came into my office Mr. Trainer, Mr. Erskine, Mr. Shank, Mr. Wheelock, the architect, my partner, Mr. Poppenhusen, and, I think, Mr. Hodge.

fr. ADCOCK. That was on July 2?

fr. NEWMAN. On July 2. That was a memorable meeting.

fr. ADCOCK. Now, how do you fix the date of the conversation in commissions were discussed?

fr. NEWMAN. I do not fix the date. I say it took place between the 27th and July 2. I can not fix the date myself.

fr. ADCOCK. You do not know whether it was on the 28th or 29th?

fr. NEWMAN. Or the 27th.

fr. ADCOCK. Or the same day that you had this game of golf?

Mr. NEWMAN. My first recollection when I gave my deposition in the Stotesbury investigation was that it took place after I returned from the golf club, and I think I so stated to Maj. Stotesbury, but upon returning home and talking the matter over with my partner, Mr. Poppenhusen, I reached the conclusion that I could not tell definitely whether it was on the 27th, the 28th, the 29th, or the 30th. I could not tell definitely. But I knew it took place before July 2, because my records are very complete as to what took place on July 2.

Mr. ADCOCK. That is, you wrote out a memorandum, did you?

Mr. NEWMAN. No; the way I do that, in the evening I call in my stenographer or private secretary or whatever she is called and I dictate the charges for the day.

Mr. ADCOCK. So that when you say what took place you merely refer to the financial matters between your office and your client in this matter as to charges?

Mr. NEWMAN. I do not know what you mean by "financial matters."

Mr. ADCOCK. You say "what took place." You do not make a memorandum in your book as to conversation that was held?

Mr. NEWMAN. In those charges I state, in a rough way, the name of the party against whom the charge is to be made, the conference, generally who was present, and in a very brief way the subject matter. Of course, if the matter is very confidential I do not dictate it. The legal members of the committee will know what that means. You can not put everything in your charges, because you do not want your secretary or stenographer to know.

Mr. ADCOCK. Was Mr. Hodge present on the 25th? Do your books show that?

Mr. NEWMAN. The memorandum in the books does not show that he was present.

Mr. ADCOCK. Now, how did this gentleman, Mr. Hodge, and Mr. Trainer, the other man, happen to come to your office on the occasion when you had this conference between the 27th of June and July 2?

Mr. NEWMAN. I can not tell you definitely, but I must have seen a number of people between June 27 and July 2, and I can not tell you how the meeting came about; that is, I can not tell you who called the meeting.

Mr. ADCOCK. They just did not happen to come there?

Mr. NEWMAN. No; there must have been some—

Mr. ADCOCK (interposing). Would Mr. Poppenhusen know who called the meeting?

Mr. NEWMAN. I could not tell.

Mr. ADCOCK. It was held in his private office?

Mr. NEWMAN. No; in my private office; back in the rear.

Mr. ADCOCK. And the meeting of June 25, does that show where the meeting was held, either your office or Mr. Poppenhusen's office?

Mr. NEWMAN. I think the memorandum is silent as to what office it was held in, but Mr. Poppenhusen called my attention to that meeting. I had forgotten all about it, and I can not recall it now, but he called my attention to that meeting. That is how I first looked it up.

Senator LENROOT. Would it likely be in the office of the man who dictated the memorandum?

Mr. NEWMAN. No; because he dictated a memorandum, too. His books show it.

Senator LENROOT. I see.

Mr. NEWMAN. As I said, I can not recall that meeting. But the meeting of July 2 left such an impression on my mind that I remember distinctly where it was held, and I can now tell you pretty nearly where every man was seated.

Mr. ADCOCK. Was the matter of commissions discussed at any other meeting than the one?

Mr. NEWMAN. Absolutely no other meeting at which I was present.

Mr. ADCOCK. Well, then, what was the conversation of the July 2 meeting?

Mr. NEWMAN. The July 2 meeting began about 2 o'clock in the afternoon. I was seated at my desk, a table desk, Mr. Trainer was seated to the left, and the other gentlemen grouped around me, and Mr. Trainer discussed the hospital situation from 2 until close to 4 o'clock that afternoon. Nobody else did any talking. Some one may have occasionally asked a question, and Mr. Trainer gave us a very intelligent view and knowledge of the situation in Washington and of the difficulties of presenting and having the Government consider any project.

Senator HARDWICK. Pardon me just a moment. Was that before or after he had made his demand for a commission?

Mr. NEWMAN. That was after.

Senator HARDWICK. Afterwards?

Mr. NEWMAN. Yes; it was the last meeting that I ever attended at which Mr. Trainer was present.

Mr. Trainer pulled out of his pocket what appeared to be a letter which he informed us had been given to him by Mr. Ogden Armour. I am under the impression that he stated that it had also been signed by James Patten, a Chicago gentleman, one of whom at least you all know; that it was in the nature of a proposition to the Government to build a large, modern, fireproof hospital on the grounds known as the Cubs baseball-park grounds, located in what is known as the west division of the city of Chicago. Mr. Armour was ready to contribute \$500,000. That is my recollection of the figure named. Mr. Patten and some other gentlemen were ready to contribute an equivalent amount, on condition that the hospital would be named after Mr. Armour's daughter, and that when the Government was through using the hospital for governmental purposes—special Army purposes—it was to be turned over to the State of Illinois—either to the State of Illinois or to the University of Illinois, under the management of Dr. Frank Billings. Mr. Trainer discoursed on that for some considerable time, and told us of the difficulties he had had in presenting the matter, and I am under the impression now that he told us at that time—

Senator LENROOT (interposing). He was presenting the Armour matter?

Mr. NEWMAN. Yes, sir. That he told us that the Government had rejected the Cubs baseball-park proposition on the grounds, first, that no Government institution could be named after an individual and that there was no legislative authority for the Government to have any deal or contract with the State by which the property was to be



turned back. I may not be giving that absolutely accurate, but I am giving you the substance, as I recall, of what Mr. Trainer said at that time. Then he told us that it would be impossible to present the Speedway Park proposition to the Government as a naked land proposition; that we would have to construct a hospital satisfactory to the Government and present the two in combination.

Senator HARDWICK. In other words, you could not just sell them the site?

Mr. NEWMAN. That is right. And Mr. Trainer—well, he talked for more than an hour and a half, and talked very entertainingly.

Mr. ADCOCK. You see the State has a hospital and a medical school near the ball park—does it not?

Mr. NEWMAN. I do not know.

Mr. ADCOCK. Do you know that the College of Physicians and Surgeons—is that under State management?

Mr. NEWMAN. It possibly may be associated with the University of Illinois. It may be a branch of that institution.

Mr. ADCOCK. The University of Illinois is a State institution, is it not?

Mr. NEWMAN. Yes.

Mr. ADCOCK. And that is under the management of the University of Illinois?

Mr. NEWMAN. I do not know.

Mr. ADCOCK. Did Mr. Trainer explain whether—did he say anything about the State being interested in this project?

Mr. NEWMAN. What project do you allude to?

Mr. ADCOCK. The hospital at the ball park.

Mr. NEWMAN. The impression I got from what he said was that it was a combination between Armour, Patten, Dr. Billings, and the university of the State, but just where the State came in, except through the university, I can not recall.

Mr. ADCOCK. You do not recall how many beds to be provided?

Mr. NEWMAN. He may have mentioned it, but I do not recall.

Mr. ADCOCK. He talked for two hours and a half?

Mr. NEWMAN. No; an hour and a half.

Mr. ADCOCK. I thought he had explained pretty thoroughly and you would recall.

Mr. NEWMAN. He did.

Mr. ADCOCK. And I thought you would recall the essential features of the matter.

Mr. NEWMAN. I have a faint impression that the ball park consists of 8 acres of land, and there was to be a 16-story building, but I may not be right about that.

Mr. ADCOCK. Do you remember whether it had anything to do with the suggestion that the Government would pay as rental during the time that that was used as a hospital, what it would cost to construct temporary frame hospitals, proposing a certain price per bed?

Mr. NEWMAN. Mr. Trainer may have said that, but I can not recall that.

Mr. ADCOCK. Do you know what Armour and others were to contribute toward this proposition?

Mr. NEWMAN. I do not want to do those gentlemen any injustice, but my recollection is that Mr. Armour had agreed to contribute

\$500,000, and that Mr. Patten and one or two other gentlemen were to contribute a like amount, but I did not get that quite right in my own mind, because my recollection is that the whole project was to cost about \$3,000,000, and I can not tell where the rest of the money was to come from. He may have mentioned the other names.

Mr. ADCOCK. Do you remember whether Mr. Trainer mentioned Mr. C. H. Thorne's name in connection with that?

Mr. NEWMAN. I think he did, since you mention it. I am inclined to think he did.

Mr. ADCOCK. Do you know what official position Mr. Thorne holds in the State of Illinois?

Mr. NEWMAN. He is of the firm of Montgomery, Ward & Co., is he not?

Mr. ADCOCK. I mean public official position.

Mr. NEWMAN. No; I do not. Does he occupy any?

Mr. ADCOCK. Do you remember whether he stated that he was a director of the public health service of the State?

Mr. NEWMAN. It is news to me.

Mr. ADCOCK. You do not remember whether any mention was made by Mr. Trainer at that time that this hospital, after the Government was through with it, would be turned over to the State to be used in connection with its medical school under the jurisdiction of the University of Illinois?

Mr. NEWMAN. I am inclined to think he did, for some sort of a reclamation hospital.

Mr. ADCOCK. Yes; and that it was to be used under the jurisdiction of the State?

Mr. NEWMAN. It was to go back to the State, and Dr. Billings was to be connected with it in some way, but I can not recall just how. Dr. Billings was profoundly interested in the subject of reclamation.

Mr. ADCOCK. What hospital is Dr. Billings connected with in Chicago?

Mr. NEWMAN. Oh, well, he is, I think—oh, I think St. Luke's, if he is connected with any; but he is one of our great physicians there.

Mr. ADCOCK. The Rush Medical?

Mr. NEWMAN. Is it the Rush Medical?

Mr. ADCOCK. Or the Presbyterian?

Mr. NEWMAN. I do not recall. But, of course, his standing is beyond discussion.

Mr. ADCOCK. Did Mr. Trainer at that conversation at that time state that he had any conferences with Surg. Gen. Gorgas?

Mr. NEWMAN. I think he did.

Mr. ADCOCK. And did he say that the matter of the hospital at the ball park was turned down, so to speak, by the Surgeon General?

Mr. NEWMAN. Yes; that is the inference I drew from what he said. That is my recollection now.

Mr. ADCOCK. Did he say anything with reference to that?

Mr. NEWMAN. That the medical department had turned it down.

Mr. ADCOCK. Did he say anything with reference to the conversation with Dr. Billings asking Mr. Trainer to look into the Speedway Park proposition, the value of it, and so forth, and its availability as a hospital site?

Mr. NEWMAN. I can not answer that definitely, though I can answer it that the impression that Mr. Trainer left on my mind at that interview was that he was friendly to the Speedway project.

Mr. ADCOCK. He was not peeved because you had lectured him on the previous occasion?

Mr. NEWMAN. He did not act that way. The conversation was perfectly pleasant and open.

Mr. ADCOCK. And he went ahead and explained the whole thing about the hospital, and so forth?

Mr. NEWMAN. Yes; and gave us a lot of information.

Mr. ADCOCK. Did he state then that he expected to go into the Government service—into the real estate division?

Mr. NEWMAN. No; I understood he was in the Government service, but not wearing a uniform.

Mr. ADCOCK. He was going to remain in citizen's clothes?

Mr. NEWMAN. Yes; I got the impression from him or somebody else that he could be much more useful in civilian clothes than if he put on a uniform.

Mr. ADCOCK. Did these gentlemen that you speak of, Mr. Wheellock, Mr. Hodge—I did not understand you to say that Mr. Shank was present at this July 2 conference?

Mr. NEWMAN. Yes; both Wheelock, Shank and Foster—did I omit Foster's name?

Mr. ADCOCK. I do not think you did.

Mr. SHANK. I was not there.

Mr. NEWMAN. July 2?

Mr. SHANK. Yes.

Mr. NEWMAN. Oh, yes; you were. You were sitting in a chair, sitting against the wall.

Senator HARDWICK. Gentlemen, we want to give you all the latitude you want, but we have to adjourn at 4 o'clock. Keep down to the material points as much as you can.

Mr. ADCOCK. Now, at this conversation at which the matter of commissions was presented, who was present at that?

Mr. NEWMAN. I was present, Poppenhusen, Clark, Trainer, and the other gentleman I have named—Hodge.

Mr. ADCOCK. Neither Mr. Wheelock nor Mr. Shank?

Mr. NEWMAN. Neither of them were present.

Mr. ADCOCK. How did the conversation open; what was the first thing that was said and by whom?

Mr. NEWMAN. I do not recall preliminary matters, but when we got to the serious matter I think I opened the conversation. I asked Mr. Trainer whether I had been correctly informed that he had made a demand for \$100,000, the payment for which should be provided for so that in case the Government took over the Speedway project there would not be any row about commissions, and that the money should be deposited with or security given to a certain banker in Chicago, and he replied that I had been correctly informed.

Mr. ADCOCK. And was that the only serious subject of conversation at that meeting?

Mr. NEWMAN. The question of commission?

Mr. ADCOCK. Yes.

Mr. NEWMAN. Yes. That was serious enough, I thought.

Mr. ADCOCK. Do you know why Mr. Hodge was there? Did he ask to be present?

Mr. NEWMAN. I do not know that he asked.

Mr. ADCOCK. Do you know why he was invited to be present?

Mr. NEWMAN. I do not know why. I found these gentlemen in Mr. Poppenhusen's room.

Mr. ADCOCK. You did not know that they were to be there until you happened to walk into Mr. Poppenhusen's room?

Mr. NEWMAN. I did not know that they were to be there at that time. I expected to see them, because I had told Mr. Hines that he must have nothing to do with them. If there was any danger to the project, send the gentlemen to me.

Mr. ADCOCK. What made you expect to see them at that time or at any time?

Mr. NEWMAN. Well, I thought probably they would call on me.

Mr. ADCOCK. Then it was your recollection, is it not, that they came to the office of their own accord?

Mr. NEWMAN. I did not send for them.

Mr. ADCOCK. You did not send for them?

Mr. NEWMAN. No.

Mr. ADCOCK. Did Mr. Poppenhusen?

Mr. NEWMAN. I do not know. He tells me he did not.

Mr. ADCOCK. So that you think that the three men mentioned, Clark, Trainer, and Mr. Hodge, came to the office together and took this matter up?

Mr. NEWMAN. Yes; I know they came there.

Mr. ADCOCK. And they came on their own volition?

Mr. NEWMAN. That I do not know. What I am telling you is what I told Mr. Hines.

Senator HARDWICK. You directed him to send them to you and you supposed they would come?

Mr. NEWMAN. Yes; I told Mr. Hines not to see them under any circumstances, but if talking was to be done I would do the talking—to send them to me.

Mr. ADCOCK. So you presumed they had been directed by Mr. Hines to come?

Senator LENROOT. Did that grow out of Mr. Hines's statement that they had requested an interview with him?

Mr. NEWMAN. Yes.

Senator LENROOT. And you told him to send them to you?

Mr. NEWMAN. Yes, sir. That occurred on the golf day.

Mr. ADCOCK. Had you heard Mr. Hodge's name used in connection with this before?

Mr. NEWMAN. Yes, sir.

Mr. ADCOCK. And that Mr. Hodge should come also?

Mr. NEWMAN. Did I say—

Mr. ADCOCK. Yes.

Mr. NEWMAN. No; I think Mr. Hines mentioned Mr. Trainer's name to me, as I recall it.

Mr. ADCOCK. Then, you did not understand that Mr. Hodge was asking for any commission, did you?

Mr. NEWMAN. Well, yes; I thought they both were asking for it.

Mr. ADCOCK. All three?

Mr. NEWMAN. You are including Clark?

Mr. ADCOCK. Yes.

Mr. NEWMAN. No; Clark did not ask for any commission, except on the second visit. I do not recall that he said anything about compensation.

Mr. ADCOCK. That meeting with Clark was on another day?

Mr. NEWMAN. My own recollection always has been that this meeting took place in the afternoon—the compensation meeting in Mr. Poppenhusen's office, and that Mr. Clark returned on the same afternoon, but Mr. Poppenhusen insists that he came the next day, and I am myself unable to determine whether he was right or whether I am right; but that he came is sure.

Mr. ADCOCK. Just you and Mr. Poppenhusen and Clark were present at that time?

Mr. NEWMAN. When Mr. Clark returned, Mr. Clark, Mr. Poppenhusen, and myself alone were present, although I am under the impression that Mr. Poppenhusen has some sort of a notion that Mr. Trainer came also; but I am quite sure that Mr. Trainer did not return.

Mr. ADCOCK. Did Mr. Clark call you up before he came?

Mr. NEWMAN. No, sir; just came into the office.

Mr. ADCOCK. Did you examine your books on this one meeting to ascertain when that was held?

Mr. NEWMAN. With Clark alone? My books, as I recall that now, are silent.

Mr. ADCOCK. That is a conversation of which you did not make a charge?

Mr. NEWMAN. No; I probably made a charge, but I do not recall that the books mention his name alone.

Mr. ADCOCK. I want to ask, Mr. Chairman, if it will be possible to have the record of the investigation made by the Inspector General's Office for examination?

Senator HARDWICK. Gen. Chamberlain's report—his commission?

Mr. BENNET. We have been trying to get that since the 20th of January. Mr. Adcock does not mean the report—there are two reports. The Chamberlain report, that we have. That is not the one he wants. The one he wants is the report by Maj. Stotesbury.

Senator HARDWICK. Have you not that here?

Mr. BENNET. No, sir; we have been trying to get it.

Senator HARDWICK. These people said that the Secretary of War would have it sent.

Col. WRIGHT. That is not in our department.

Senator HARDWICK. Where are they?

Col. WRIGHT. They are in the Inspector General's Office, or in the office of the Secretary of War. It is sure to be in one of those two places.

Senator HARDWICK. It has been suggested that the department might have some reason for withholding that report, but if they have we will find out about it, and if they have not we will get it for you.

Mr. NEWMAN. The committee will understand that there were a great many things that occurred at these conferences that I can not pretend to recall the details of, but they all relate to the subject matter in substance.

Senator HARDWICK. If we can do it, we would like to confine ourselves to the proposition of this commission.

Mr. ADCOCK. You do not remember any conversation in regard to commissions when Mr. Shank was present, a conversation when Mr. Shank was present and you were present, Mr. Trainer, Mr. Clark?

Mr. NEWMAN. No, sir.

Mr. ADCOCK. When did Mr. Folsom come into this matter?

Mr. NEWMAN. I do not know. The first time I saw him was shortly before our visit to Mr. Hare.

Mr. ADCOCK. You were representing Mr. Hines up to that time, advising him with reference to this proposition?

Mr. NEWMAN. Trying to, but I was not very successful.

Mr. ADCOCK. You did not employ Mr. Folsom?

Mr. NEWMAN. No, sir.

Mr. ADCOCK. I understand he is a lawyer?

Mr. NEWMAN. Yes, sir.

Mr. ADCOCK. And you do not know the occasion for his being there?

Mr. NEWMAN. I do not.

Mr. ADCOCK. So far as you know, he was entirely a volunteer?

Mr. NEWMAN. No; I would not say that; but I do not know whom he represented. I am not sure whether he met us at the office of the Secretary of War or whether he accompanied us to the office of the Secretary of War. I can not recall. But I know he was there.

Mr. ADCOCK. Well, I understand you to say you never saw Secretary Baker or had any conversation with him?

Mr. NEWMAN. When I said Secretary of War I meant Secretary Hare. I thought he was as big as the Secretary of War. Perhaps that is the reason of my confusion.

Mr. ADCOCK. You evidently have reference to the appearance of Mr. Hare.

Mr. NEWMAN. I have a very decided opinion of Secretary Hare.

Mr. ADCOCK. Was Mr. Folsom present at the conversation you had with Secretary Hare—when I say Secretary Hare I refer to him as acting secretary?

Mr. NEWMAN. He was present the first time. He was present when I had the conference with Secretary Hare after Mr. Shank came over to the office and rang the fire bell.

Mr. ADCOCK. When Secretary Hare ordered you to remain in Washington. What did Mr. Folsom say at that time? Did he say anything at this conversation?

Mr. NEWMAN. I think he was brilliantly silent.

Mr. ADCOCK. He was just looking on?

Mr. NEWMAN. At least I do not recall anything he said.

Mr. ADCOCK. You say you had a conversation with someone who was a Grand Army man?

Mr. NEWMAN. No, sir; I did not. At least I did not intend to, if I did, because I had no conversation with him.

Mr. ADCOCK. He had a conversation with somebody?

Mr. NEWMAN. With Mr. Poppenhusen.

Mr. ADCOCK. I see. Do you recall his name?

Mr. NEWMAN. I know his name; but as I have said to the committee, I do not care to get the old gentleman mixed up in this matter, because I am sure he acted in the utmost good faith and thought that has was helping me in this situation in Washington. He and I served on the same loyalty committee in Chicago, and we got very well acquainted, and I got very fond of him, and I think he got quite fond of me. He just thought he was doing me a service, and I do not think he ought to be mixed up in this matter.

Senator LENROOT. Unless that goes further I do not think it is material. I do not think any connection has been shown with Mr. Trainer.

Senator HARDWICK. Suppose he came up and said, "If you will give Mr. Trainer some money, he will get your proposition through." I do not think that would connect Mr. Trainer with it.

Mr. ADCOCK. Did you understand that this man was an emissary of Mr. Trainer or Mr. Clark?

Mr. NEWMAN. I can only tell you what Mr. Poppenhusen reported to me.

Mr. ADCOCK. Well, of course, I can ask that of Mr. Poppenhusen.

Senator HARDWICK. We will have him back, and then you can ask him as much as you want, although I think it is rather immaterial anyhow.

Mr. NEWMAN. I said to you that I had no conversation with this gentleman. When Mr. Poppenhusen wrote me a letter telling me of the conference he had with this gentleman, I came to Washington then and returned home, and this gentleman called upon me in connection with some loyalty work we were both engaged in, and I said to him, "When I was away you called on my partner, Mr. Poppenhusen," and we passed a few words, and that was about all that was said.

Mr. ADCOCK. Nothing was said as to the subject of conversation?

Mr. NEWMAN. Except that he gave me the impression that I was making a mistake in not securing the friendship of Mr. Trainer. He never mentioned any money; nothing of that kind.

Mr. ADCOCK. This was after July 2?

Mr. NEWMAN. Oh, yes; it was some time in November. I think in November. I do not want anybody to get the impression that this gentleman mentioned any money.

Senator HARDWICK. I am glad you said that, because it was a question that came in my mind.

Mr. NEWMAN. He simply suggested that I was making a mistake in not securing the friendship of Mr. Trainer.

Senator HARDWICK. Then it is all the more immaterial.

Mr. ADCOCK. I wanted to find out whether he had stated that he had talked to Mr. Trainer about this, and whether he stated that he went there at the solicitation of Mr. Trainer.

Senator LENROOT. I do not think that there is any such presumption arising from the record.

Senator HARDWICK. This man was expressing his opinion that it would be desirable to have the friendship of Mr. Trainer.

Mr. ADCOCK. Did you see Mr. Folsom on any other occasion in regard to this Speedway, except at the time that he walked over with you to Mr. Hare's office?

Mr. NEWMAN. Yes, sir. He was in Washington, lived at the Shoreham, and I saw him frequently.

Mr. ADCOCK. Did you have any conversation with him about the Speedway matter?

Mr. NEWMAN. Yes.

Mr. ADCOCK. He did not disclose whom he represented?

Mr. NEWMAN. No.

Mr. ADCOCK. And you did not ask him?

Mr. NEWMAN. No. I did not ask him, though he was much interested.

Mr. ADCOCK. Let me see; you do not think he told you whom he represented?

Mr. NEWMAN. I do not think he did. I do not recall.

Senator HARDWICK. Do you know whom he represented?

Mr. NEWMAN. I do not. I have my views, Senator, but I have no actual personal knowledge.

Mr. ADCOCK. But you felt that he at least had the same interest in the matter that you did for his client's interest, if he had a client?

Mr. NEWMAN. He was not anywhere near as much interested as I was, but he was very favorable to the proposition.

Mr. ADCOCK. You say that the Shank Co. had an attorney in this matter?

Mr. NEWMAN. Yes, sir.

Mr. ADCOCK. Who was that?

Mr. NEWMAN. A man named Robert Dunn. I saw him two or three times in Chicago.

Mr. ADCOCK. He never came to Washington in regard to the matter?

Mr. NEWMAN. If he did, I did not know it.

Mr. ADCOCK. I understand that the Shank Co. and Mr. Hines are the only ones that were interested in the Speedway Park?

Mr. NEWMAN. I do not know whether the Shank Co. owned these bonds, or Mr. Shank personally. I am not familiar with that. I have always regarded it as at the Shank Co.

Senator LENROOT. One or the other?

Mr. NEWMAN. One or the other.

Mr. ADCOCK. Twelve-thirteenths of the bonds represented by Mr. Hines, or owned by Mr. Hines, and the other one-thirteenth either by Mr. Shank or the Shank Co. Do you know of anyone else that was interested?

Mr. NEWMAN. No.

Mr. ADCOCK. Did you ever hear of a commission appointed by either the Secretary of War or the Assistant Secretary of War to acquire existing buildings for hospitals throughout the country?

Mr. NEWMAN. I have no personal knowledge on that subject, except what I have been told here in Washington. I know nothing except what I have been told.

Mr. ADCOCK. You were in Washington about the 21st of October?

Mr. NEWMAN. I can not tell, as I came here so often. Mr. Hines would telegraph me to come on and come on; I can not tell without looking into my books.

Senator HARDWICK. Your charge books will show that?



Mr. NEWMAN. Yes, sir.

Mr. ADCOCK. You do not know whether about that time—perhaps I could recall to your mind that this commission consisted of Gen. Robert E. Noble, Mr. Schmidt, and Mr. Trainer. You do not remember?

Mr. NEWMAN. I never heard of a commission made up in that way.

Senator HARDWICK. That is in the record. There was such a commission. Mr. Schmidt was on it.

Mr. NEWMAN. I do not recall a commission consisting of Richard E. Schmidt, Trainer, and Col. Northington.

Mr. ADCOCK. You do not remember whether Gen. Noble was on this commission?

Mr. NEWMAN. If he was, I did not get my information correctly. These gentleman named, I understand, constituted the roving hospital commission.

Mr. ADCOCK. That is, to acquire sites?

Mr. NEWMAN. Sites all over the country.

Mr. ADCOCK. Now, I think that is all I want to ask at the present time, except that I feel that I might like, after this record comes from the Secretary of War, to further cross-examine Mr. Newman.

Senator LENROOT. Mr. Newman, at this first conversation with reference to commissions, was there any feeling exhibited between you and Mr. Trainer?

Mr. NEWMAN. No; I was considerably worked up on the subject, but I do not think Mr. Trainer was.

Senator LENROOT. You were friendly?

Mr. NEWMAN. Yes; entirely so.

Senator LENROOT. How did this meeting of July 2 come about, if you recall?

Mr. NEWMAN. I can not recall. I may have called the meeting, but I have no recollection of calling it, or some one else may have called it.

Senator LENROOT. What appeared to be the purpose—the object—of this meeting of July 2?

Mr. NEWMAN. To discuss the hospital situation.

Senator LENROOT. Was it a matter of any surprise to you, after this conversation with Mr. Trainer concerning commissions, that the matter should be taken up with Mr. Trainer again?

Mr. NEWMAN. No; I was anxious to retain his good will. He was an important factor down here in Washington, and I did not want to encourage ill will.

Senator HARDWICK. He was at this conference because you wanted to show him that there were no hard feelings?

Mr. NEWMAN. Oh, yes.

Mr. ADCOCK. Did he say that he would give the matter consideration?

Mr. NEWMAN. Why, he spoke very generally of the Speedway project at the July 2 meeting; no hostility at all.

Senator LENROOT. What was the real object of the July 2 meeting, as you now look back at it, notwithstanding the refusal to consider Mr. Trainer's proposition? Did you want him to approve of the project, and was that probably the reason it was called?

Mr. NEWMAN. Probably to get his good will and for him to say a good word for the project.

Senator LENROOT. And you think probably the meeting was called on your suggestion?

Mr. NEWMAN. I would not go quite that far, Senator, because my recollection is not quite definite; but I will say this, that if it was not called on my suggestion, and somebody else called it, I probably would have called it, and it may be that I did call it.

Mr. ADCOCK. Mr. Trainer did not seem to mind losing the \$100,000 that you say he demanded?

Mr. NEWMAN. I told you in my morning's examination what he said on that subject. He said he was working for the Government for nothing and he probably would have to make that contribution.

Mr. BENNET. Did Mr. Trainer make clear, or, at any rate, did he explain, what his relation, if any, was to the hospital situation in the United States?

Mr. NEWMAN. Yes.

Mr. BENNETT. At the meeting of July 2?

Mr. NEWMAN. Well, I got the very firm impression that he was a very important factor in the hospital situation.

Mr. BENNET. You got a very firm impression from what he said that he had a great deal to do with whether a hospital was built or not?

Mr. NEWMAN. That they relied upon him in Washington very extensively in the hospital situation.

Mr. BENNET. Is it your recollection that he so stated?

Mr. NEWMAN. I would not say that he used those words, but you gather from the things he said that he was a very important factor here in Washington.

Mr. BENNET. And did he seem to show a rather familiar knowledge of the way hospital propositions were carried through in Washington?

Mr. NEWMAN. Yes.

Senator HARDWICK. All right, we will excuse you for the present.

Mr. ADCOCK. Just one question. Did he say to you in any conversation that this thing could not go through without his approval?

Mr. NEWMAN. No, sir. Mr. Trainer never said anything of that kind.

Mr. ADCOCK. Never any threats?

Mr. NEWMAN. Never.

Senator HARDWICK. The committee excuses you.

Mr. NEWMAN. May I be permitted to return home?

Senator HARDWICK. Yes. I do not think that as busy a man as you are should be required to remain.

Mr. ADCOCK. I would just like to ask how long it will probably take up in the examination of further witnesses, because I would like to finish the cross-examination of the witnesses that may be produced by, I will say, the complainant here, just for convenience, to just ask the committee to subpoena witnesses that I may feel it necessary to present Mr. Trainer's position, and I would like to get an idea of the time so that we would ask for the return of Mr. Poppenhusen, and so on.

Mr. BENNET. I have two other witnesses on this subject; I can start the examination this afternoon, or I can let them go until Monday, which I understand would be more agreeable to Mr. Adcock.

Senator HARDWICK. The committee will have to adjourn at four. Col. Wright has one or two little matters that I promised to hear him on.

Mr. NEWMAN. Then I have the committee's permission to return home and to be recalled in case you want me again?

Senator HARDWICK. If it is material to call you back, we will do so.

Mr. ADCOCK. Unless it is necessary, we will not ask it.

**TESTIMONY OF LIEUT. COL. C. C. WRIGHT, CONSTRUCTION DIVISION—Resumed.**

Senator HARDWICK. Colonel, what is your additional statement?

Col. WRIGHT. Just a little additional to what I made yesterday. I do not recall how it was, although I think the question came up generally during the statement, that I mentioned the telegram of September 10, addressed to me, care of Cantonment Division, Seventh and B Streets, as follows:

CHICAGO, SEPTEMBER 10.

Col. C. C. WRIGHT.

*Washington:*

We are proceeding with work on hospital as ordered. Much delayed by lack of material. Must have priority order at once. Wire.

SHANK Co.,

That was on September 10, prior to the time when the letter going up for authority to the Secretary of War had gone to the Surgeon General for authorization.

Senator HARDWICK. Did you reply to that?

Col. WRIGHT. I replied on September 11 to the Shank Co., Chicago, Ill.:

The SHANK Co.,

*Chicago, Ill.:*

Reference telegram September 10. This office has ordered no construction work in connection with hospital at Chicago. This matter has been taken up verbally to-day with Mr. Erskind, who will wire in reference to same.

MARSHALL.

I think that is all.

Mr. BENNET. That is the same telegram that Gen. Marshall referred to in his testimony?

Col. WRIGHT. Yes; I should say that is signed Chief of Construction Division.

Senator HARDWICK. He referred to it?

Col. WRIGHT. Yes; but that makes the record complete.

Senator HARDWICK. Much obliged.

Now, gentlemen, the members of the committee have until 4 o'clock. If you have a witness that you want to call in the mean time, you may do so.

Mr. BENNET. We can use the 20 minutes very nicely.

**TESTIMONY OF MR. RICHARD E. SCHMIDT, ARCHITECT, 104 SOUTH MICHIGAN AVENUE, CHICAGO, ILL.**

(The witness was sworn by the chairman.)

Senator HARDWICK. Your firm name?

Mr. SCHMIDT. Richard E. Schmidt, Garden & Martin.

ENNET. Mr. Schmidt, you are a partner of Mr. Garden, who  
he stand this morning?

SCHMIDT. I am.

ENNET. How long had you been an architect?

SCHMIDT. In independent practice for 25 years.

ENNET. You have qualified before as an expert in matters of  
it?

SCHMIDT. Yes, sir.

ENNET. And you probably have a list of hospitals you have

SCHMIDT. Yes, sir.

ENNET (handing a sheet of paper to the witness). I just offer  
in evidence.

list referred to is here printed in the record as follows:)

*contracts with Richard E. Schmidt, Garden & Martin, architects.*

#### HOSPITALS BUILT.

Brook. Hospital, Chicago, 1897	\$800,000
Brook. Hospital, additions, Chicago, 1906-1915	115,000
Brook. Hospital, additions, St. Louis, 1898	110,000
Brook. Hospital, Chicago, 1901	200,000
Brook. Hospital, Ashland, Wis., 1902	125,000
Brook. Health Resort, Winnetka, Ill., 1903	70,000
Brook. Health Resort, Winnetka, Ill., additions, 1907-1918	85,000
Brook. Hospital, Chicago, 1906	650,000
Brook. Institute for Medical Research, 1910	110,000
Brook. Sarah Morris, for Children, 1913	195,000
Brook. power house, 1913	55,000
Brook. isolation building, 1913	25,000
Brook. maternity department, 1916	35,000
Brook. Children's Hospital, roof wards, 1917	18,000
Brook. Hospital, Chicago, 1908	95,000
Brook. Hospital, nurses home, Chicago, 1912	30,000
Brook. Quine Hospital, Chingiang, China, 1910	70,000
Brook. Hospital, Chicago, additions, 1910	85,000
Brook. Hospital, Kenosha, Wis., 1910	90,000
Brook. Hospital, Chicago, alterations, 1910-1915	20,000
Brook. Hospital, Chicago, 1912	225,000
Brook. Hospital, addition, Dixon, Ill., 1913	30,000
Brook. and Macon County Hospital Decatur, Ill., 1913	190,000
Brook. Lying-In Mothers' Aid Pavilion, 1913	80,000
Brook. Lying-In, Main Building, 1917	380,000
Brook. Lying-In, general revision and supervision, 1914	3,750,000
Brook. Lying-In Psychopathic, Chicago, 1914	500,000
Brook. Lying-In Tuberculosis Colony, Oak Forest, 1914	500,000
Brook. Lying-In Infirmary, Oak Forest, Ill., 1914	900,000
Brook. Hospital, addition, Dubuque, Iowa, 1915	60,000
Brook. Central R. R. Co. Hospital, Chicago, 1916	325,000
Brook. Memorial Hospital, St. Joseph, Mo., 1916	125,000
Brook. Sub. No. 1 Dormitory, Chicago, 1916	125,000
Brook. Hospital, Milwaukee, Wis., 1918	300,000
Brook. Home Hospital, Lafayette, Ind., 1918	110,000
Brook. Hospital Nurses Home, La Crosse, Wis., 1918	25,000
Brook. Hospital, remodeling, Chicago, Ill., 1918	15,000

#### IN COURSE OF CONSTRUCTION.

Brook. Central Hospital, Paducah, Ky	200,000
Brook. County Tuberculosis Sanatorium, Quincy, Ill.	80,000
Brook. States Army General Hospital:	
Brook. go, Ill.	3,500,000
Brook. do.	150,000
Brook. Sheridan, Ill.	3,500,000
Brook. ations, West Baden, Ind.	150,000

## PLANS IN COURSE OF PREPARATION.

Massillon City Hospital, addition, Massillon, Ohio.  
 Pittsburgh Homeopathic, addition, Pittsburgh, Pa.  
 Evanston Hospital, addition, Evanston, Ill.  
 Saginaw Hospital, Saginaw, Mich.  
 Schirrmann Hospital, Portsmouth, Ohio.  
 Gary General Hospital, Gary, Ind.  
 United States Steel Co. Hospital, Chicago, Ill.  
 Illinois Central Railroad Hospital, addition, Chicago, Ill.  
 Illinois Central Railroad Nurses Home, Chicago, Ill.  
 Ashland, Bayfield, and Iron Counties Tuberculosis Sanitarium, Ashland, Wis.  
 Lincoln State Hospital, ward buildings, Lincoln, Ill.  
 Total of work completed or in progress is \$17,760, with a capacity of 16,400 beds.

Total estimated cost of work for which plans are in course of preparation is \$2,585,000, with a capacity of 855 beds.

Gross total is \$19,845,000, and a bed capacity of 17,345.

Senator HARDWICK. Those are the hospital projects that you have managed as architects?

Mr. SCHMIDT. Yes.

Mr. BENNET. With one exception. On the work now being done at Fort Sheridan, you are what?

Mr. SCHMIDT. Supervising engineer.

Mr. BENNET. And is there any other hospital where you are not architects?

Mr. SCHMIDT. I think the Cooper Monitor and the West Baden.

Mr. BENNET. Yes; the alterations at West Baden, Ind.; that is Government work?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. And you are consulting engineers there?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. And on the Cooper Monitor you are also consulting engineers?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. And the rest of this list shows work you have done?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. Now, Mr. Schmidt, in relation to the general question of this Speedway proposition, you heard your partner's testimony. If you were interrogated at length, would your testimony be substantially the same?

Mr. SCHMIDT. Yes.

Mr. BENNET. You would not desire to make any changes, and what he said is your testimony on that branch of the case?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. And you also adopt this statement that he considers this project a very excellent project?

Mr. SCHMIDT. I do.

Mr. BENNET. That is, to the Government?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. In every way?

Mr. SCHMIDT. Yes, sir.

Senator HARDWICK. From the standpoint of what it would cost the Government, under the circumstances under which it was to be construed, did you consider it a fair and economical and reasonable proposition for the Government?

Mr. SCHMIDT. I considered it not only fair and reasonable, but a very low price for a building of fireproof construction.

Mr. BENNET. Now, right in connection with that, on the modern methods in connection with reinforced concrete construction for hospitals, large hospital units, is it not possible to construct them about as cheaply as of lumber?

Mr. SCHMIDT. It is about as cheap to construct one of that kind which you describe as a fireproof hospital of several stories as it would be to construct one and two-story hospitals of wooden construction under the comparatively high prices prevailing during war time.

Mr. BENNET. And without taking into consideration the method of construction, it could be done about as cheaply as wooden hospitals?

Mr. SCHMIDT. Yes, sir; just about as cheaply.

Mr. BENNET. Have you with you any letters which passed between you and the officials in Washington relative to your relation with this hospital project?

Mr. SCHMIDT. I think I have, sir.

Mr. BENNET. Will you produce them, please?

Mr. SCHMIDT. One dated September 6, from Col. Wright, to my firm.

Mr. BENNET. Is it a long letter?

Mr. SCHMIDT. It is not very long. [Reading:]

WAR DEPARTMENT,  
OFFICE OF THE CONSTRUCTION DIVISION OF THE ARMY,  
Washington, D. C., September 6, 1918.

From: Lieut. Col. C. C. Wright, Engineering Branch.

To: Richard E. Schmidt, Garden & Martin, 104 South Michigan Avenue, Chicago, Ill.

Subject: Proposed general hospital, Speedway, Chicago.

1. Receipt is acknowledged of your letter of September 2, 1918.
2. With reference to the question of making certain changes which do not involve additional cost, you are advised that this matter will rest entirely in the hands of the constructing quartermaster, who will be advised in all matters of this kind by the architects.
3. With reference to the matter of inspectors, it is the opinion of this office that the two men which you mention in your letter will be able to take care of the inspection of this work. They will be allowed such assistance as may be deemed necessary by the constructing quartermaster.
4. The question of superintendent's progress reports will also be determined by the constructing quartermaster.
5. With reference to the form for turning in your own costs on this work, you are advised that there are no specific forms established by this office. It is necessary that you submit to the constructing quartermaster your pay roll, receipted by the various employees; also receipted bills covering the other expenditures which apply directly on this work.

C. C. WRIGHT,  
Lieutenant Colonel, Quartermaster Corps.

Mr. BENNET. You said 1916.

Mr. SCHMIDT. 1918.

Mr. BENNET. Have you your letter of September 2, to which that is in answer?

Mr. SCHMIDT. Yes, sir. It is a considerably longer letter.

Mr. BENNET. Shall we put it in or have it read?

Senator HARDWICK. How long will it take you to read it?

Mr. SCHMIDT. Not long. [Reading:]

SEPTEMBER 2, 1918.

Mr. C. C. WRIGHT,

*Lieutenant Colonel, Construction Division, Quartermaster Corps,*

*Seventh and B Streets, Washington, D. C.*

Re: Chicago Hospital.

DEAR SIR: Our Mr. Erikson returned to Chicago Sunday morning and started our engineers and draftsmen, whom we had instructed by wire to be in our office Sunday, also to-day (Labor Day), on the plans and calculations.

We soon found that we can save in the amount of concrete in the foundations without exceeding the soil pressure of 3,500 pounds per square foot, also in the quantity of reinforcing steel in the floor construction and maintain the desired live load of 50 pounds, and 20 pounds per square foot for partitions, i. e., 70 pounds everywhere, including wards, with the customary factors of safety.

We write to inquire if it is permissible to make such changes from the preliminary plans, provided that the contractor will make fair allowances for them, which could or should be expended for additional work or better materials for other portions of the buildings. It may be possible to obtain sufficient credit from above-mentioned and other items to obtain a tile roof in lieu of the roofing which is specified, viz, "Certainiteed" red roofing or equal, 3-ply as manufactured by the "Certainiteed Products Corporation.

#### INSPECTION.

We have in mind the placing of our Mr. John Dutcher on the job for supervising all pipe trades and other work of a mechanical nature, such as heating, plumbing, wiring, elevators, etc., and our Mr. Arthur Fitzgerald to supervise the building trades, such as masonry, reinforced concrete, concrete, plastering, painting, carpentry, etc., each with assistants.

These two men have had wide experience on work of the greatest importance and their knowledge of the respective kinds of work, organization, and in the tract required to handle men is unequalled.

Is it the custom of your department to require architects who have performed work for it in the capacity in which we are to be employed to furnish complete supervision, and is this a portion of our costs for which we will be reimbursed?

If they are available, we would like to be supplied with the usual forms for preparing our expense requisitions, also Army requirements of the nature of proof, i. e., must original bills for rent, light, supplies, wages, etc., accompany the requisitions?

How often are superintendent's progress reports required? Is any special form provided for them. To whom are they forwarded.

If you find it possible to reply to these questions your very kind attention will be appreciated.

Yours, very truly,

RICHARD E. SCHMIDT, GARDEN & MARTIN,  
*Architects.*

Mr. BENNET. September 2, 1918, was Labor Day?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. Were you working on Labor Day?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. The day before that was Sunday?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. Did you work on Sunday on this proposition, too?

Mr. SCHMIDT. Yes, sir.

Senator HARDWICK. Suppose you do this: You can take all the letters that you have and put them in the record without reading. Just hand them to the reporter.

Senator LENROOT. Read the last letter.

Mr. SCHMIDT. On September 9 I addressed Col. Wright as follows [reading]:

1. We acknowledge receipt of your letter of September 6, 1918, and have noted contents.

2. The writer went to the site this morning and found upward of 200 men at work. Up to 8 a. m. to-day almost 500 feet, or one-quarter, of the seating of the grand stand had been removed, about 250 feet of excavating, and concrete foundation laid for its exterior wall at the north end.

The Shank Co. started a second gang of wreckers at the south end of the stand this morning, and expect to have a third gang begin in the middle of the remaining portion to-morrow morning.

Crushed stone, sand, and cement are being delivered by large trucks.

3. The Shank Co. are securing proposals for cut stone, window frames, steel and other windows. We do not know if they will order these before knowing if the contract has been signed.

4. Please advise us if the following title is satisfactory:

United States Army General Hospital,

Broadview, Cook County, Ill.

Prepared for the

Surgeon General's Office, U. S. A.,

and

Construction Division, U. S. A.,

by

Richard E. Schmidt, Garden & Martin, } Associate architects.  
and  
H. B. Wheelock, }

104 South Michigan Avenue, Chicago, Ill.

6. The writer noticed this morning that the surface line mentioned in the third paragraph, first page, of our report of September 4, 1918, caption, "Transportation," does not terminate at the Maywood Station of the Aurora, Elgin & Chicago Third Rail Line at point marked "4" on map "B."

The line on Fifth Street ends at Madison Street, or 1 mile north of Twelfth Street. The report of September 4 was based on the writer's observations, and when dictating the report he had a mental impression that he saw rails in Fifth Street between Madison Street and the Aurora, Elgin & Chicago Third Rail Line.

Yours, very truly,

RICHARD E. SCHMIDT, GARDEN & MARTIN,  
*Architects.*

P. S.—We attach clipping from the Chicago Sunday Tribune of 8th instant referring to the hospital.

R. E. S.

On September 14, 1918; Col. Wright replied as follows [reading]:

1. Receipt is acknowledged of your letter of September 9, 1918, in reference to the above matter.

2. In connection with paragraph "4" of your letter you are advised that this office has requested the Surgeon General to advise of the official name and number of the proposed general hospital at Speedway Park.

3. It is noted that your title shows the plans to be prepared by Richard E. Schmidt, Garden & Martin, and H. B. Wheelock, associated architects. It is distinctly understood that Mr. Wheelock is not associated with Richard E. Schmidt, Garden & Martin on this work and in no way employed by the construction division. It is therefore requested that this name do not appear on any of the drawings to be prepared by your office.

4. You are advised that, although definite authority has not been granted for this work to proceed, the papers have been before the War Industries Board for several days in connection with the clearance of the project. It is hoped that a definite settlement will be arrived at within the next day or two, so that full authority can be granted in connection with his work.

R. C. MARSHALL, JR.,  
Brigadier General, United States Army,  
Chief of Construction Division.

By C. C. WRIGHT,  
Lieutenant Colonel, Quartermaster Corps.



On October 12 Col. Wright wrote me as follows [reading]:

Receipt is acknowledged of your favor of October 9, taking up the question of contract for fees on the work with which you are connected for the Government.

With reference to the Speedway Hospital you, of course, understand that no contract for services can be made on this project until the same has been officially authorized by the Secretary of War. The owners of the Speedway are still working on this matter, and a definite conclusion with reference to it should be reached some time this week.

In connection with the work at Fort Sheridan, West Baden, and other work in Chicago, you are advised that a contract will be prepared at once and forwarded to you for your signature.

A separate contract will also be prepared covering services of Mr. Schmidt on the board for acquiring hospital.

Yours, very truly,

C. C. WRIGHT,  
*Lieutenant Colonel, Quartermaster Corps.*

Senator LENROOT. That is the last correspondence?

Mr. SCHMIDT. Yes. There is one of September 16.

Senator LENROOT. October 12 is the last one?

Mr. SCHMIDT. I did not read September 12.

Senator LENROOT. Put that in the record.

Mr. SCHMIDT. I telegraphed on September 10 to Col. Wright as follows:

Please send unsigned copy of Shank contract. Need information therein to specify fully.

On September 16 I received this reply:

To: Richard E. Schmidt, Garden & Martin, Chicago, Ill.

Subject: General hospital, Maywood, Ill.

1. There is attached hereto a copy of the proposed agreement between the construction division and the Shank Co. with reference to the Chicago hospital. So far the agreement has not been executed, but if authorized by the Secretary of War the forms will be as per attached copy.

2. This is in reply to your telegram of 13th instant.

R. C. MARSHALL, JR.,  
*Brigadier General, United States Army,  
In Charge Construction Division.*

By P. C. WRIGHT,  
*Lieutenant Colonel, Quartermaster Corps.*

Col. WRIGHT. May I ask the date of that?

Mr. SCHMIDT. September 16.

Mr. BENNET. I understand that the committee desires to adjourn.

Senator BECKHAM. Mr. Schmidt, what is your opinion about this site as a desirable location for a hospital—the Speedway Park?

Mr. SCHMIDT. It fills the requirement for a hospital site, I think, in every respect. The land is dry, level, with the exception that it slopes slightly, only about a foot and a half or 2 feet, toward the river. It is about 45 feet above Lake Michigan. It is drained by a large tile drain with quite a number of laterals. There are no manufacturing buildings of any kind to the southwest of it, the direction of the prevailing winds in the summer time, so that there would be no smoke or gas blown across it. There are no manufacturing buildings, none to any great number, to the northeast, the other direction from which the wind probably blows a large portion of the time. There is good drainage. The electrical power is only a short distance from it, the public-service corporation, and the water supply of the

neighboring village of Maywood is by a system of artesian wells, which I examined as to quantity, pumping capacity, and found it ample for the needs of the village and for a large addition.

There are good switching facilities. The Illinois Central Railroad passes through one corner of the property. The Belt Line does the same. The Aurora & Alden electrical interurban passes about five or six blocks to the north of the property, and two lines of electric railway are now east about a mile from the property.

So that, considering all these facilities, and the kind of soil, drainage, prevailing winds, air, and light, it is an excellent site for a hospital.

Senator HARDWICK. Any questions?

Mr. BENNET. Just before we get out of that, two things: Is there on file in the office of Col. Wright a written offer from the street railway company to extend their lines without cost to this hospital if it is taken as a Government hospital?

Mr. SCHMIDT. I can not testify as to that. I have heard that there was.

Senator HARDWICK. That is all in the record.

Mr. BENNET. Not yet.

Col. WRIGHT. I can give that information.

Mr. BENNET. Then I will ask you right now.

Col. WRIGHT. Yes; I have this telegram.

Mr. BENNET. There is such a proposal?

Col. WRIGHT. Yes, sir.

Mr. SCHMIDT. Is it the street railway or the elevated?

Col. WRIGHT. West Town Railways Co.

Mr. SCHMIDT. That is a surface line. I made some investigation about the extension of the Metropolitan Elevated Railway, which now ends about a mile and a quarter from the southeast corner of the property, and learned from one large property owner that all the property owners except one, and that a comparatively small holder, had signed an agreement to vacate to the Metropolitan Elevated Railway the right of way for an extension into the Speedway property.

Mr. BENNET. So that the surface cars and the cars of the elevated both were to be extended right to the grounds?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. I think in your statement you omitted any mention of roads constructed on the property. Are there roads constructed?

Mr. SCHMIDT. Yes; there are paved roadways from the center of Chicago to the property and skirting it on the north side. That is a concrete highway.

Mr. BENNET. That is all.

Senator HARDWICK. You are excused.

(Thereupon, at 4 o'clock p. m., the subcommittee adjourned until Monday, January 27, 1919, at 11 o'clock a. m.)



## MILITARY HOSPITALS.

MONDAY, JANUARY 27, 1919.

UNITED STATES SENATE,  
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS,  
*Washington, D. C.*

The subcommittee met at 11 o'clock a. m., pursuant to adjournment, in the committee room in the Capitol, Senator Thomas W. Hardwick presiding.

Present: Senators Hardwick (acting chairman), Beckham, France, and Lenroot.

Senator HARDWICK. Mr. Bennet, you had Mr. Schmidt on the stand when we adjourned.

Mr. BENNET. I should like to take him off temporarily and put on Surg. Gen. Ireland to ask him three or four questions.

### TESTIMONY OF MAJ. GEN. M. W. IRELAND, SURGEON GENERAL, UNITED STATES ARMY.

(The witness was sworn by the chairman.)

Mr. BENNET. Give your name, rank, and station to the reporter, please.

Surg. Gen. IRELAND. M. W. Ireland, major general, Surgeon General United States Army.

Mr. BENNET. Mr. Ireland, how long have you been Surgeon General?

Surg. Gen. IRELAND. Since the 3d of October

Mr. BENNET. 1918?

Surg. Gen. IRELAND. 1918.

Mr. BENNET. Prior to that time you were in Europe, and therefore you are not familiar with the preliminaries of this hospital situation. When you came back in October, 1918, did you make some investigation into this Speedway hospital proposition in Chicago?

Surg. Gen. IRELAND. I arrived in Washington on the 29th of October, and shortly after that the question of the hospitalization in Chicago was brought to my attention, some time probably during the first week of November, and I was required to decide as to the acceptance or rejection of the Speedway and Field Museum.

Mr. BENNET. What did you recommend in relation to the Speedway Hospital in the latter part of October?

Surg. Gen. IRELAND. At the time of which I am speaking now—I have not the date, but it was sometime before the 10th of November—I recommended that the Speedway be accepted.

Mr. BENNET. Taking into consideration Mr. Hines' offer to salvage the Speedway Hospital at 40 cents on the dollar, how did you regard

the Speedway Hospital proposition as a business proposition from the Government standpoint?

Surg. Gen. IRELAND. At that time?

Mr. BENNET. Yes.

Surg. Gen. IRELAND. Excellent.

Mr. BENNET. From the plans and what you knew of the buildings, how did you regard them as hospital construction?

Surg. Gen. IRELAND. Very good.

Mr. BENNET. Do you think the fact that the Speedway Hospital is located within the street-car area of Chicago, so that it can be reached within less than an hour for a street-car fare, and thus is easily accessible to the relatives of wounded soldiers, a fact of advantage to the Speedway Hospital?

Surg. Gen. IRELAND. Yes, sir.

Mr. BENNET. If, under Mr. Hines's proposal, this hospital ultimately becomes the property of the city of Chicago, could it be utilized to advantage as a reconstruction hospital for maimed people in that city and vicinity?

Surg. Gen. IRELAND. Yes, sir.

Mr. BENNET. Is it so planned that a portion of the hospital and grounds can be utilized for the care and reclamation of crippled children?

Surg. Gen. IRELAND. Yes, sir.

Mr. BENNET. You have seen this hospital personally, have you not?

Surg. Gen. IRELAND. Yes, sir.

Mr. BENNET. And do you concur in the statement of the other witnesses that it is well located and well adapted for hospital purposes?

Surg. Gen. IRELAND. Yes, sir.

Mr. BENNET. Have you seen the Field Museum personally?

Surg. Gen. IRELAND. Yes, sir.

Mr. BENNET. When?

Surg. Gen. IRELAND. About the 21st of November.

Mr. BENNET. You mean on that visit you made to Chicago?

Surg. Gen. IRELAND. Yes, sir.

Mr. BENNET. That was the 21st of December.

Surg. Gen. IRELAND. I meant to say December; yes, sir.

Mr. BENNET. Did you go into the interior as well as inspecting the exterior of the Field Museum?

Surg. Gen. IRELAND. Yes, sir.

Mr. BENNET. Do you regard that proposition as well located and well adapted for a hospital?

Surg. Gen. IRELAND. No, sir.

Mr. BENNET. And did you ever recommend it as a hospital?

Surg. Gen. IRELAND. No, sir.

Mr. BENNET. That is all.

Senator HARDWICK. I notice you are careful, General, to say "at that time." You mean considering this proposition as one that was authorized before the armistice?

Surg. Gen. IRELAND. Yes, sir.

Senator HARDWICK. It occupies a different position in your mind after the armistice?

Surg. Gen. IRELAND. Yes, sir.

Senator HARDWICK. So, if there is any reason on earth why the Government should not have that hospital at all, it is because of the fact that since it was begun the armistice has been declared?

Surg. Gen. IRELAND. Yes, sir.

Senator HARDWICK. That is the only thing that makes any real difference in the situation?

Surg. Gen. IRELAND. That is the only thing that makes any real difference to me.

Senator HARDWICK. Do you want to ask the General any questions?

Senator LENROOT. Just one question. Can you tell us anything, General, about the estimated salvage of the Fort Sheridan buildings?

Surg. Gen. IRELAND. I can repeat—

Senator LENROOT. Has that been brought out? I do not want to repeat it.

Mr. BENNET. It is in the report of the Chamberlain Commission—\$600,000.

Surg. Gen. IRELAND. I could only repeat what the Constructing Department stated on that point, that it would not exceed \$600,000.

Senator LENROOT. That would be how much per bed—how many beds?

Surg. Gen. IRELAND. We hoped to have about 4,200 beds.

Senator LENROOT. That is all.

Mr. BENNET. As between the Fort Sheridan hospital and the Seedway Hospital, is there any comparison as hospital buildings? Are they on the same plane in any way?

Surg. Gen. IRELAND. No; of course, a reinforced-concrete building is always a superior building to frame buildings.

Mr. BENNET. Of course, that is a general proposition.

Surg. Gen. IRELAND. That is a general proposition.

Mr. BENNET. If, in a minute, you could tell the principal disadvantages of the Field Museum, as you see them, I think I would appreciate it. It will not take much of the committee's time.

Surg. Gen. IRELAND. We may have seen the Field Museum under the most unfavorable circumstances. It was a very wet day, as you may remember, and it was almost impossible to get there in automobile. The Field Museum is away up in the air. There is an enormous amount of filling-in to be done before you can arrive at the building. It is situated close to the railroads. It is bound to be a very dirty place on that account. It was not constructed for hospital purposes. The rooms are simply enormous and would have to be adjusted to hospital purposes. It would only be used as an emergency proposition—not as a hospital proposition at all.

Mr. BENNET. If you could not get anything else you could use it as a hospital?

Surg. Gen. IRELAND. Oh, yes—yes; it would be a protection for the soldier and you could give him a bed, and you could make arrangements for feeding him.

Mr. BENNET. But as an original hospital proposition you would never consider recommending it, would you?

Surg. Gen. IRELAND. No, sir.

Senator BECKHAM. Did anybody in your department recommend it?

Surg. Gen. IRELAND. I believe it was recommended, and I believe a contract was made to take it over. That was some time before the

armistice was signed. My recollection is—of course, I have gotten all of this by word of mouth, because it occurred before I returned—that a board consisting of a medical officer and, I believe, two men from the constructing department made a trip to the West, and my recollection is that this was one of the buildings which they accepted.

Senator LENROOT. Were any other hospitals or buildings accepted — for hospitals without the approval of the Surgeon General's Office?

Surg. Gen. IRELAND. In Chicago?

Senator LENROOT. Anywhere?

Surg. Gen. IRELAND. Yes.

Senator LENROOT. They do not require in all cases the prior approval of the Surgeon General's Office?

Surg. Gen. IRELAND. I think almost universally they accept the approval of the Surgeon General's Office—I think almost universally.

Senator LENROOT. But do you know of other cases besides the Field Museum where a building was accepted that did not have the approval of the Surgeon General's Office?

Surg. Gen. IRELAND. Excuse me; if I gave the impression that the Field Museum did not have the approval of the Surgeon General's office, I think I was wrong.

Senator LENROOT. I so understood. I beg your pardon, then, if I was mistaken. I thought you answered Mr. Bennet that you did not approve the Field Museum.

Surg. Gen. IRELAND. No; I do not.

Senator LENROOT. All right; I see. You mean you individually—

Surg. Gen. IRELAND. Yes, sir.

Senator LENROOT. That is all.

Senator FRANCE. General, could you tell us the personnel of this board which had to do with the leasing of buildings for hospitals— Could you furnish us that?

Surg. Gen. IRELAND. I can furnish you the personnel of the board. Gen. Noble, who is now in France, was the original member of the board. When he was relieved, Col. Northington took his place. Both of these officers that I have mentioned are medical officers. Now, I can not tell you here the other personnel of the board, but I can obtain it, and will be very glad to send it to you, sir.

Senator FRANCE. We should be pleased to have it.

Mr. BENNET. Mr. Schmidt, the next witness, will give that.

Senator FRANCE. If Mr. Schmidt can furnish us with that information, that is all right.

Mr. ADCOCK. I just want to ask one question. What was Gen. Noble's connection with the Surgeon General's office?

Surg. Gen. IRELAND. He was the executive officer to Gen. Gorgas.

Mr. ADCOCK. That is, to the Surgeon General?

Surg. Gen. IRELAND. Yes, sir. Now, that needs a little explanation. Gen. Noble was officially in charge of the hospitalization section in the office; but during Gen. Gorgas's entire administration he was his confidential man, the so-called executive officer in the office.

Mr. ADCOCK. Then, when Gen. Noble went to France, did Col. Northington take his place?

Surg. Gen. IRELAND. That is my understanding, sir.

## TESTIMONY OF MR. RICHARD E. SCHMIDT—Resumed.

Mr. BENNET. Mr. Schmidt, are you familiar with the composition of that commission concerning which Senator France was asking Gen. Ireland?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. Just give its composition at different times.

Mr. SCHMIDT. Two commissioners were appointed, one to find buildings in the East and the other in the West. At first the members of the western commission were Gen. R. E. Noble, Mr. J. Milton Trainer, and myself. After we were at work for two or three weeks, Gen. Noble was ordered to France, and his place on the commission was taken by Lieut. Col. E. J. Northington.

Mr. BENNET. Does that give you the information you desire, Senator?

Senator FRANCE. In order that your answer may be complete, I should like to ask you if you can give us the personnel of the commission having in charge the eastern hospital sites.

Mr. SCHMIDT. Lieut. Col. John A. Hornsby, Capt. Rush, and Maj. Lewis. I do not know their initials.

Senator FRANCE. That commission had charge of the leasing of hospital properties in the East?

Mr. SCHMIDT. Yes, sir.

Senator FRANCE. That is all, Mr. Chairman.

Senator HARDWICK. Is there anything else you want to ask?

Mr. BENNET. Yes, sir. Mr. Schmidt, during the time between the examination on Saturday and to-day, at what you understood to be my request, have you gotten up a history or description, from an architectural standpoint, of this Speedway Hospital?

Mr. SCHMIDT. I have, sir.

Mr. BENNET. And have you had it reduced to typewriting?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. Have you got it with you?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. I should like to make this a part of the record.

Senator HARDWICK. All right.

Mr. BENNET. With or without reading, as the committee desires.

Senator HARDWICK. I think you had better put it in without reading at present.

Mr. ADCOCK. That is merely a description of the hospital?

Mr. BENNET. I shall be very glad indeed to have Mr. Adcock have a copy [handing copy to Mr. Adcock].

Mr. ADCOCK. Thank you.

Mr. BENNET. Have there been any changes in ink?

Mr. SCHMIDT. I have not read it since I dictated it, so I do not know, but I made no changes.

Mr. BENNET. Would you prefer to revise it before it goes into the record?

Mr. SCHMIDT. I would have to have a copy to read it.

(The paper above referred to, which, by direction of the committee, is here printed in full in the record, is as follows:)

## MEMORANDUM OF MR. RICHARD E. SCHMIDT, CHICAGO, ILL.

My knowledge of hospitals does not alone consist of designing them, but also an intimate acquaintance with their operation. I have been vice president and



member of the house committee of Grant Hospital, Chicago (formerly the German Hospital of Chicago), for the past six or seven years. I am president of the North Shore Health Resort, a sanitarium at Winnetka, Ill., where my duties require a frequent examination of the property and directions concerning operation and improvements.

The design of the Speedway Hospital is architecturally satisfying, while chased, not overly rich, and without insanitary features of ornamentation. The building will please the eye. The psychological fact, accepted by expert hospital administrators, a beneficial reaction on patients, attendants, and visitors, will result from tasteful surroundings. The best was thought none too good for the patients. Whereas the standard plans of the Surgeon General's office present a hospital put together of stock sizes, stock material, and without the slightest consideration or attempt to use good proportions, which is no doubt commendable from a standpoint of dollars and cents.

With your permission I will call your attention to some of the points of construction of the Speedway project.

The material and workmanship is of the best quality throughout; the best standard of concrete, brickwork, cement, mortars, equal to the best civil work. Limestone trimmings are protected from aphlorescence by back painting.

Stair hall, elevator, and other fire doors are of the best quality of sheet-metal doors; high-grade, noiseless, ball-bearing hangers; doors, sills, and guards designed to assure safety.

The walls and ceilings of operating rooms are to be plastered with Keene cement, painted with enamel paint.

The floors of the operating department and shower walls are to be of terrazzo with coved sanitary bases of the same material.

The floors of the diet kitchens are to be of oxichloride of magnesla with sanitary basis of the same material.

All of the remaining floors are to be of hardened smoothly troweled Portland cement.

The floors are, therefore, of jointless material, whereas the floors of an hospital built in accordance with the standard plans of the Surgeon General's office are almost wholly of wood, which will shrink and have a large number of open joints a few months after it is laid.

The walls of the toilets, showers, partitions in bathrooms and wainscoting of these rooms is to be of polished Missouri or Tennessee marble, whereas similar work in the standard Surgeon General's office are of matched and beaded wood. Showers with sheet metal.

The hardware is specified to be the most suitable—heavy, durable, nonrusting material. The hardware of the Surgeon General's office plans are almost always of japanned steel.

The design of all interior trim is in accordance with the best hospital practice, reducing the amount of wood to the minimum and formed in a manner to permit of easy cleaning with the avoidance of crevices and internal angles.

The windows present a large glass area for each room. They are built to extend close to the ceiling with hinged transoms at the top to permit of ample ventilation without causing drafts.

All of the interior doors which are not specified to be of metal are specified to be flush-veneered hardwood hospital doors.

Each window above the first floor is equipped with window cleaners' safety belt anchor bolts.

The stair and balcony rails are to be of a net design and of steel.

There are to be seven or eight ice-proof tread, standard steel stairway fire escapes, each 40 inches in width.

The windows which are passed by the fire escapes are to be of fire-resisting type, i. e., wired glass set in metal frames, in accordance with the requirements of the National Board of Underwriters and the United States Bureau of Standards, each equipped with automatic closing devices.

Plaster surfaces of the operating department, eye, ear, nose, and throat department, wash, toilet, and bathrooms, kitchens and diet kitchens are to be enameled with washable enameled paint.

The remaining plaster surfaces are to be covered with washable calcimine.

All drain pipes within the building are to be of cast iron.

The design of the plumbing installation is to be in accordance with the best practice known to the art.

The steam-heating system is to be a graduated controlled two-pipe vacuum system, such as used to-day in hotels, apartment houses, hospitals, etc., of the highest grade.

pipe covering is of the best material on the market. The heating system consisting of 13 motor-driven fans, moving upward of 100,000 cubic feet of air per hour, all of them supported on noise-proof pads,

high-grade passenger electric elevators equipped with several safety devices also specified.

The quality of material, design, and workmanship shown and specifications prepared by the architects is equal to that used in the best built and best civil hospitals.

The plan includes all of the usual work of a building, such as masonry, plastering, painting, etc.; also a good quality of insect screens covering door and very window opening.

Lockers, shelving, bins, tables, benches, etc., of the proper design, material quality required by the Surgeon General's office for a hospital of the type of the one under discussion; and the proposal is for the building with the exception of light fixtures, window shades, and portable

equipment for the patients' wards and auxiliary rooms required by the Surgeon General's office, the plans of the Speedway Hospital include a number of billiard rooms, billiard and card room, also a library, which are not in the standard hospitals of the Surgeon General's office.

There are available as patient wards and would accommodate 540 in addition to the capacity of the wards (2,500), or a total of 3,040. The standard allowance of 80 square feet per patient per room, and a minimum of air space than specified by the requirements of the Surgeon General's office.

There are also 36 reinforced-concrete balconies, 10 feet wide, 36 to 44 feet long, joining the large wards of the three upper stories. Paved terrace wards of the first floor and are level with the floors of these rooms.

As the preliminary drawings and specifications accompanying the contract are obviously incomplete, the contract contains the paragraph suggested by the writer, reading as follows:

"The contracting officer may from time to time, by written instructions or amendments to the owner, make changes in the said plans, drawings, and specifications, or may require additional work hereunder, and the provisions of this contract shall apply to all such changes, modifications, and additions made hereafter as if they were embodied in the original plans, drawings, and specifications, and the owner shall comply with all such instructions and amendments if such changes, modifications, and additions involve extra labor or material, then the actual cost of such additional labor or material occasioned by such changes, together with a sum equal to 7 per cent thereof, shall be added to the contract price and shall be paid by the Government to the contractor as hereafter in this clause is otherwise provided). In such case for the completion of this contract shall be extended to cover the completion of said buildings occasioned by such changes, modifications, and additions to said plans, drawings, and specifications."

It is interesting to find that questions which have arisen during the construction of the building have indicated to me that the projectors were not aware of all the requirements of a modern hospital at the time they made the offer, they built in accordance with the requirements of the developed specifications, notwithstanding that in many instances workmanship, and quantities have unquestionably cost them a much greater sum than they originally had in view.

The location of the floor area of a narrow building having its principal front and south will have sunlight during some portion of each day (of course, on cloudy days). The east side, obviously, has sunlight in the morning; the south end, before and after noon; and the west side in the afternoon. All exterior walls except the north end will have sunlight, thereby insuring the maximum drying effect and the benefits of the sunlight. In the case of the Speedway plan, all but 1½ per cent of the exterior wall surface is exposed to sunlight. No other form of plans will result in so high a percentage of sunlight. The form would be used more if the dimensions of building lots were as large as the one offered.

The building really consists of eight hospitals built end to end, each one housing from 100 to 400 patients. Inasmuch as the building is of fireproof material, it is safe to do this, whereas it would not be safe to build in this manner if the buildings were of combustible material. The fact that the fire-

prevention engineers of the Government have established 60 feet as a minimum distance between the units of the standard Surgeon General's office plans in proof of this.

Inasmuch as each of the eight sections is a large hospital in itself, the attendants can be assigned to one section, and as each section is a complete unit, with the exception of operating rooms and mess hall, surgeons, nurses, and other attendants are not required to travel any great distance while at their stations. The distance of travel between the administration building and the various sections or to the mess hall and operating department is no greater than the separated buildings of a hospital built on the Surgeon General's office standard plans of equal capacity.

Buildings constructed of wood, wall board, and other more or less perishable material can be maintained in use for a considerable number of years, but require so much material and labor for replacement and upkeep that they are practically rebuilt every seven or eight years.

Furthermore, the cost of maintaining plumbing, heating, and wiring installations is much greater in buildings of wood construction than of buildings of fire-resisting construction due to shrinkage and supplement of wood, whereas structures of concrete and masonry retain their exact dimensions throughout their life, unless affected by earthquakes or other catastrophe. Buildings of wood construction may have spaces varying from 2 to 10 feet under the first floor to fit them to the contour of the ground. These spaces are unfinished, without floors, little light, and practically unventilated. They can be maintained vermin proof and sanitary only with considerable labor.

The ground floor of the Speedway Hospital is all impervious concrete, laid over pipe tunnels of sufficient size to furnish access to the pipes when necessary, or over a course of dry crushed stone.

Mr. BENNET. To summarize the hospital situation in Chicago as it was along in September, 1918—and, by the way, do you use the word "fireproof" or some other word in relation to concrete buildings?

Mr. SCHMIDT. I prefer to use "fire resisting" to "fireproof."

Mr. BENNET. I will use that term, then; and you would use that term in relation to the Speedway?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. Prior to the 1st of October, 1918, there had been two fire-resisting hospitals proposed in Chicago—one, what was known as the old Cub Ball Park, which, as far as the testimony goes, was to be a 16-story fireproof hospital on an 8-acre site; and the other at the Speedway Park, as to which we have taken considerable testimony; and neither of those propositions for fireproof hospitals had been approved up until about the 1st of October?

Mr. SCHMIDT. They had not been approved, you say?

Mr. BENNET. Neither had been approved?

Mr. SCHMIDT. No.

Mr. BENNET. Both had been submitted to the Government in different forms?

Mr. SCHMIDT. Yes, sir. I should like to correct the statement about the 16 stories, however. The Cub Ball Park plan was for a six and seven story building.

Mr. BENNET. I took that from Mr. Newman's testimony. I am very glad to have that correction.

Mr. SCHMIDT. My firm planned both of them, so that we know about it.

Mr. BENNET. You know them pretty well. When was this Field Museum proposition first brought to the attention of the commission of which you were a member?

Mr. SCHMIDT. It was first brought to my attention about September 23, when I was appointed on the commission.

**Mr. BENNET.** Now, I will ask you some leading questions; and if I am not correct, I wish you would correct me. Was the annual rental of that \$62,500 per year?

**Mr. SCHMIDT.** Yes, sir.

**Senator FRANCE.** Mr. Chairman, I should like to see developed as a result of this testimony a brief history of the Field Museum and as to what it is, when it was built, and for what purpose. Will you put on some one who can give us that information?

**Mr. BENNET.** I will ask the witness to do that right now.

**Senator HARDWICK.** I suspect that this witness can do that.

**Mr. BENNET.** He can do that very well. Suppose you first give, then, a brief history of the Field Museum, its purpose, and what it was planned for.

**Senator FRANCE.** The location, the character of the building, for what purpose it was constructed, whether it has been used, and a brief summary of the facts in regard to it.

**Mr. SCHMIDT.** If I may go back a little further, at the close of the World's Columbian Exposition in 1893 Mr. Marshall Field conceived the idea of retaining many of the objects of natural history in Chicago and left a considerable fund in his will—I believe it was \$10,000,000—for a building and the endowment of the museum. The museum was organized soon after, and for a great many years the collection has been housed in the old Art Building out at the old exposition grounds—the World's Columbian Exposition grounds—at Jackson Park. The trustees are now constructing a larger building on what is known as Grant Park between Michigan Avenue, the business portion of Chicago, and Lake Michigan, and at its south end near Twelfth Street; therefore east of the right of way of the Illinois Central Railroad.

The building is faced with white marble, monumental in character and design. It is about 600 feet long from east to west and 350 feet in depth from north to south. It has two floors, the basement and the first floor, covering the entire area. The second and third stories cover only parts of the area by reason of a number of large light courts coming down through the roof, and there is a partial fourth story. The stories are exceptionally high, and the building is well above Lake Michigan. The basement floor is 35 feet above the lake level, the first floor 50 feet. There is ample light and air all around the building for museum purposes.

About the 20th of October there was a little plastering completed in the building and no finished floors. The floors are of structural steel with hollow-tile arch filling, and it was in that unfinished state when the commission examined it.

I know of nothing further.

**Senator HARDWICK.** I think that seems to be a pretty general description of the situation.

**Senator FRANCE.** Has it been used as a museum or has it been vacated?

**Mr. SCHMIDT.** No, sir; it is not completed.

**Senator FRANCE.** That is all right.

**Mr. BENNET.** Surg. Gen. Ireland made some statement to the effect that it was away up in the air. What did he mean by that?

**Mr. SCHMIDT.** Just as I said, the first floor is 50 feet above Lake Michigan. The ground of Grant Park is, I imagine, only about

12 feet above the lake, so that what is called the basement is really 3 feet above the surrounding ground, and the final design embraces considerable landscape work in the form of embankments and terraces, marble balustrade, and ramps leading from the lower grade to the grade around the building; so that at present it appears to be standing on quite an eminence.

Mr. BENNET. And with what material is that excavation around there being filled in?

Mr. SCHMIDT. With cinders, ashes, and building debris—all, however, sound filling.

Mr. BENNET. Is that land on which that part of Grant Park stands made ground?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. And made up in part of the sweepings from the city streets?

Mr. SCHMIDT. That I have not seen. It may be, but I have not seen sweepings go there.

Mr. BENNET. There was a contract signed by this commission, of which you were a member for the Field Museum, was there not?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. Did you say that was about the 23d of September? Did I understand you that way?

Mr. SCHMIDT. No; I said it was either the 22d or the 23d of October.

Mr. BENNET. And could you give the committee briefly a general idea of the provisions of that contract?

Mr. SCHMIDT. The commission caused to be prepared a set of preliminary plans for converting the museum into a hospital. The architects of the museum—Graham, Anderson, Probst & White—had prepared some such drawings and submitted them to the commission; but the commission was not satisfied with the arrangement shown by the Graham, Anderson, Probst & White plans, so that the two sets were used as the basis of the lease mentioned therein, and the lease provided that they were to prepare a third set of plans for building and working purposes, combining the suggestions shown in the plans which the commission caused to be prepared with the plans prepared by Graham, Anderson, Probst & White. These plans required the building of a great many partitions, the installation of a very large number of plumbing fixtures, alterations in the steam-heating equipment, also in the electric wiring, and largely increasing that by additional outlets, a signal system, and involving a considerable amount of work.

The architects for the museum estimated that that work would cost in the neighborhood of \$700,000; and then there were further additions to that sum for the furnishing and installing of equipment in the form of shelving, racks, and equipment of the kitchen, storerooms, linen closets, etc.; and still another further change of building the large messroom for the patients and a messroom for the enlisted personnel and the nurses, within the walls of the building.

The museum trustees laid evidence before us that they were about to abandon the old museum, and that it was necessary to do it on account of its dilapidated state, leaking roof, rotting floor timbers, etc.

**Mr. BENNET.** When you say "the old museum," do you mean the Arts Building down in Jackson Park?

**Mr. SCHMIDT.** Yes, sir; that they were obliged to abandon that or risk the loss of the exhibits, which they valued in the neighborhood of \$20,000,000; so that if they could not put them into that portion of the new building—that is, the basement—which they had expected to complete at a very near date, they would have to be either stored at some other place or in some other part of that building, and boxed and protected from destruction by insects; and it was estimated that the cost of that packing was around \$120,000.

**Mr. BENNET.** Who was to pay that?

**Mr. SCHMIDT.** That composed a portion of the contract. It was made part of the contract sum. The commission also estimated with the trustees the cost of restoring the building or rehabilitating it as a museum after the lapse of the lease for hospital purposes, and that was estimated at around \$100,000.

**Senator FRANCE.** The Government was to pay these sums?

**Mr. SCHMIDT.** Yes, sir. These sums, added together, made a contract sum of, I believe, \$1,070,514, or something thereabouts. I can give it to you exactly if I may refer to my notes.

**Senator FRANCE.** For how long a use?

**Mr. SCHMIDT.** That, of course, was only for the remainder of this fiscal year. No contracts are being made for longer than the current fiscal year. Then the rental for subsequent fiscal years was to be at the rate of \$62,500 per year.

**Mr. BENNET.** Do you mean the rental for the first year, including these improvements, would be a million and some dollars?

**Mr. SCHMIDT.** Yes, sir.

**Mr. BENNET.** What was the sum?

**Mr. SCHMIDT.** If I may refer to my notes. I can give you the exact figures—\$1,071,510.

**Senator FRANCE.** That was the total rental for the first year of use?

**Mr. SCHMIDT.** Yes, sir.

**Senator FRANCE.** Including the necessary improvements and the necessary expenditures to put the museum back into its original condition?

**Mr. SCHMIDT.** Yes, sir.

**Senator FRANCE.** And then the rental for the second year was to be \$62,000?

**Mr. SCHMIDT.** \$62,500, and the second and other subsequent years.

**Senator FRANCE.** Did you consider that a favorable contract to the Government—a rental of some one million one hundred and thirty-odd thousand dollars for two years' use?

**Mr. SCHMIDT.** We estimated it on this basis—that the rental for the first year per patient in this building was about \$250. Our authority embraced a sum which required the two commissions to secure 38,500 beds at an average price of \$400 per bed per year.

**Senator FRANCE.** Rental?

**Mr. SCHMIDT.** Rental; so that this sum was well within that; and if the hospital had been used for several years, as we were given to believe that it was very likely that it would be, \$62,500 was only about \$15.50 per patient for the subsequent years, so that each year

added would have brought the rental per patient for the average year to a very low figure.

Senator FRANCE. You have stated the number of beds, have you?

Mr. SCHMIDT. No. It is close to 4,000; between 3,800 and 4,000.

Senator FRANCE. It was estimated that this museum would accommodate 4,000 beds?

Mr. SCHMIDT. Certainly 3,850, and it would possibly house 4,000.

Mr. ADCOCK. Did you state the floor area?

Mr. SCHMIDT. No; I have that somewhere.

Senator LENROOT. Did your commission have anything to do with the Fort Sheridan project?

Mr. SCHMIDT. No, sir.

Senator LENROOT. Nothing at all?

Mr. SCHMIDT. Not as a commission; no, sir.

Senator LENROOT. Could you tell us, without going into complications, considering the salvage in each case—40 per cent on the Speedway and \$600,000 on Fort Sheridan—what the relative cost to the Government would be in the two cases per bed?

Mr. SCHMIDT. I estimate the total cost of the Fort Sheridan new hospital and conversion of old buildings at just about \$3,000,000. Others have estimated it higher, but I have personally gone over the figures, and I think they figured too high. So deducting the \$600,000 would leave \$2,400,000. Those buildings contain 4,400 beds, so that the cost is about \$550 a bed in the case of the Fort Sheridan project. The Speedway—

Mr. BENNET. I will ask you a preliminary question there. If you took Gen. Marshall's method of estimating—that is, 70 per cent of the total floor area, as he testified here—and divided that by 80, how many beds would the Speedway hold?

Mr. SCHMIDT. For the main building alone—

Mr. BENNET. At Fort Sheridan the administration buildings and everything are being figured in, are they not?

Mr. SCHMIDT. I never made those figures. I have never figured that way, so I could not tell you.

Mr. BENNET. As I recall, figuring in the administration buildings and everything, there is about 440,000 square feet at the Speedway. Is that right?

Mr. SCHMIDT. Yes, sir; I know that is about right.

Mr. BENNET. Then, applying Gen. Marshall's formula that he testified to, 70 per cent divided by 80, use that as a basis.

Mr. SCHMIDT. Three hundred and eighty thousand divided by 80 would be 3,850 beds.

Senator HARDWICK. That would make the capacity of the two hospitals about the same?

Mr. SCHMIDT. The Fort Sheridan capacity is 4,400, that part of it. The old post hospital, with the additions built in 1917, has a capacity of about 400, so that the total capacity of Fort Sheridan is about 4,800 beds; but those buildings were built under other appropriations.

Senator LENROOT. Could that capacity of 400 have been utilized without any additional expense?

Mr. SCHMIDT. Yes, sir.

Senator LENROOT. So that that would cut out that many, so far as new construction is concerned?

Mr. SCHMIDT. Yes, sir. I have not taken those into consideration in making this calculation. I assume the total cost of the Speedway would be \$2,500,000, and about \$950,000 in addition.

Mr. BENNET. No; \$3,253,475.

Mr. SCHMIDT. I do not know anything about that figure.

Mr. BENNET. It is in evidence.

Senator LENROOT. That is including the additional buildings?

Mr. BENNET. Yes, sir; that is including everything; \$3,253,475 plus \$100,000—that is the maintenance charge—less \$1,296,211.

Mr. SCHMIDT. That is what—\$1,296,211? [After making calculation.] If I take it at its rated capacity of 2,500—I will take it both ways—but taking it at the rated capacity of 2,500, it is almost \$800, a little over \$800, per bed; and if I take it at the 3,850 capacity, it is about \$535, within a few dollars.

Senator LENROOT. When you recommended the Field Museum, was it assumed that the Speedway Hospital would also be utilized?

Mr. SCHMIDT. No, sir.

Senator LENROOT. It was not?

Mr. SCHMIDT. It was assumed that it would not be utilized.

Senator LENROOT. Will you explain how, then, the Field Museum came to be recommended? Did your commission believe that the Field Museum was a better proposition for the Government than to acquire the Speedway Hospital?

Mr. SCHMIDT. I did not, and I do not believe the other members of that commission did. I can not say, but, if I may relate this, the commission came together, I think, the 23d of September, on Monday—yes; the 23d was a Monday—and we went examining buildings throughout Chicago and other cities. Here is one of the records, with all of these buildings examined by the commission, a great many of them in Chicago, like the Chicago Arena, the Berhalter Food Co., the Calumet Club, the Cooper-Carlton Hotel, the Cooper-Monatah, the Edgewater Beach, the Ford Building, Chicago, the Kenwood Apartments, the Lakota Hotel, the Lexington Hotel, the North Shore Hotel, Evanston, the Parkway Hotel, Chicago, the Plaza Hotel, Chicago, the South Shore Country Club, the Surf Apartments, and 229 Lake Shore Drive. Every one of those buildings in Chicago was examined by the commission to ascertain their availability as hospitals.

The buildings were surveyed physically, in their physical aspect, to see how they could be arranged and capacity estimated and meetings held with the owners to ascertain the rental requested and the values of the buildings and property.

After the commissions had been there several weeks and had taken some small buildings and our communication with Washington every few days they were pressed to find buildings, and at the same time the commission, and Gen. Noble in particular, had inquired of the Surgeon General's office if the Speedway project was accepted or had been taken over. Receiving unfavorable answers, or at least replies saying nothing was being done or that it was doubtful that it would be taken over, we as a commission found it necessary to find hospital beds in other buildings.

The Field Museum was the largest, best-constructed building that we could find, and in the emergency existing at the time, the demand for beds, we considered it a proper thing to do to make that lease.



Senator LENROOT. What was the date of your action upon the Field Museum?

Mr. SCHMIDT. The date of the lease——

Senator LENROOT. I do not care about the lease, but the date of the action of the commission in determining to go on with the Field Museum.

Mr. SCHMIDT. That really was not determined until the day before the lease was signed.

Senator LENROOT. That was the 23d.

Mr. SCHMIDT. If the lease was dated the 23d, it was the 22d.

Senator LENROOT. When was this rejected—this Speedway?

Mr. BENNET. September 26.

Senator LENROOT. That was the date of the rejection?

Mr. SCHMIDT. Yes.

Senator LENROOT. So that you really had nothing to do with the Speedway? You had a rejection by the department here?

Mr. SCHMIDT. Yes, sir. We considered that we should have nothing to do with the Speedway. It was a little hard for me——

Senator LENROOT. With whom were the negotiations had for the Field Museum?

Mr. SCHMIDT. With Mr. Stanley Peel, the chairman of the board of trustees.

Senator LENROOT. They were had with them direct, that is it!

Mr. SCHMIDT. Yes; and also with Mr. Alexander Graham, of the firm of Graham, Alexander, Probst & White, the architects.

Senator LENROOT. That is all.

Mr. BENNET. On the 22d of October, if you know, about how far had the Speedway progressed toward completion—the main building?

Mr. SCHMIDT. I would guess that about the second floor was completed and a portion of the third floor concreted, and the walls were standing between two and three stories.

Mr. BENNET. So that if it had been completed under rush work, roughly, how quickly could it have been completed from the 22d of October?

Mr. SCHMIDT. Around the end of December.

Mr. BENNET. That is substantially a little over 60 days, I think.

Mr. SCHMIDT. Yes.

Mr. BENNET. Could it have been completed as quickly as the necessary alterations in the Field Museum?

Mr. SCHMIDT. Yes.

Mr. BENNET. And more quickly?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. In addition to the Field Museum—the reconstruction of the Field Museum—were there not a number of outside frame buildings required under the plan to be constructed?

Mr. SCHMIDT. Housing for the nurses, medical officers, and enlisted personnel would either have to be built or temporary quarters found in existing buildings.

Mr. BENNET. Is that part of the plan?

Mr. SCHMIDT. The scheme for building barracks on the park grounds was a part of the plan.

Mr. BENNET. Was a contract entered into for this or was it just a cost-plus proposition? I mean, was it a contract proposition or a cost-plus proposition?

Mr. SCHMIDT. That was a matter that was to have been in the hands of the construction division, and I believe they would have used their standard form of cost-plus percentage. That was something that the commissioners would not have had control of.

Mr. BENNET. Those figures you have been giving to-day were not any figures that anyone guaranteed to complete the building for, but they are the parkway commission figures?

Mr. SCHMIDT. The figures I have been giving so far are contract figures. This matter of the housings outside was not a part of the lease.

Mr. BENNET. So that the cost of those buildings outside is to be added to the sums you have mentioned?

Mr. SCHMIDT. Yes.

Mr. BENNET. And was an estimate made of the cost of those buildings.

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. And what was that amount?

Mr. SCHMIDT. That, with the other improvements, such as roads, filling, and outstanding illumination, was around \$600,000.

Mr. BENNET. Then let us get the sums together, if we can.

Mr. SCHMIDT. The sums together would have made just about \$1,600,000.

Mr. BENNET. Including the alterations; that is, including the interior alterations?

Mr. SCHMIDT. Including the alterations within the building.

Mr. BENNET. How was the building to be ventilated?

Mr. SCHMIDT. Portions of it were to be ventilated by natural ventilation, through windows, and other portions by mechanical means, by fans.

Mr. BENNET. Who was to pay for the filling in of the land lying around it?

Mr. SCHMIDT. That was an estimated sum in the amount allotted for the outside work, and was not a contract. The figure was not definitely determined.

Mr. BENNET. You do not know what that really would have cost?

Mr. SCHMIDT. No, sir.

Mr. BENNET. As I gather from your figures, there was some 38 feet of fill to bring the 28-foot level up to the 50-foot level?

Mr. SCHMIDT. No. None of the outside filling would have been brought to the elevation of the first floor. That would have been brought to elevation 31, and the ground was about plus 12, so that there would be that difference. Nineteen feet would have been approximately the fill.

Mr. BENNET. But, as I understand, the Government was to pay all of this.

Mr. SCHMIDT. Yes.

Mr. BENNET. At whatever price it might turn out to cost?

Mr. SCHMIDT. Yes. We had made some inquiries, and we had an offer of the use of the big 80-cubic-yard-a-day suction dredge of the commissioners at no cost to us.

Senator HARDWICK. Let me suggest that probably the details of all this Field business are not directly material here.

Mr. BENNET. I will just ask one summing-up question.

If these contemplated improvements had been carried out as in the plan, would the Field Museum have been as satisfactory a hospital as the Speedway hospital if that had been carried out according to the plan?

Mr. SCHMIDT. No, sir.

Mr. BENNET. If you had had liberty of recommendation between the two, would you have recommended the Field Museum?

Mr. SCHMIDT. I would not.

Mr. BENNET. Who first brought the matter of the Field Museum to the attention of the commission?

Mr. SCHMIDT. That I do not know.

Mr. BENNET. Did Mr. Trainer have anything to do with the matter?

Mr. SCHMIDT. I do not know that he had. I can only say that when Gen. Noble called on me with Col. Wright on September 23 and informed me that I had been appointed on this commission, it was said either on that day or the following day that we were going down to see the Field Museum. That was the first intimation that I had that it was under consideration. I do not know where it ever originated.

Mr. BENNET. Were you present when Gen. Noble had any conversation with persons from Washington regarding the Speedway?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. Did Gen. Noble ask or urge the approval of the Speedway?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. And did the subcommittee tell you what had been told him? Of course you could not tell what had been told you in confidence?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. What did he say had been told him from Washington?

Mr. SCHMIDT. He said that it would not be approved.

Mr. BENNET. Who did he say told him that over the wire?

Mr. SCHMIDT. My recollection is that he talked with some one in his department, but I do not know whom.

Mr. BENNET. You are not certain of it?

Mr. SCHMIDT. No, sir; Col. Kramer, possibly, but I am not certain. Senator HARDWICK. Did he tell you why it would not be approved?

Mr. SCHMIDT. No, sir.

Senator HARDWICK. He just said that the information from Washington was that the Speedway would not be approved?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. And he recommended the Speedway?

Mr. SCHMIDT. He spoke very favorably of it in my presence. I do not know whether you would call that a recommendation. He spoke favorably of it.

Mr. BENNET. He spoke favorably of it?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. Do you know whether there was any financial urgency on the part of the Field Museum trustees for this proposition to go through?

Mr. SCHMIDT. Mr. Ernest Graham, the architect, stated in my presence that the museum trustees were not letting any contracts to com-

the building in a hurry, because the securities in which the building fund was invested had depreciated to such an extent that it is not advisable to dispose of them at that time, and they were therefore working along slowly and would not complete the building for the use of the public for several years.

Mr. BENNET. They were operating, of course, on a fixed sum in the Field Museum?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. Would not the whole or a portion of this sum of \$100,000, I think you testified to, for interior construction be available for the ultimate purposes of the museum?

Mr. SCHMIDT. Not much of it.

Mr. BENNET. The financial value that they would gain, then, would be threefold—first, the rental; and second, the accumulation of interest on their securities during the interval; and third, the lack of necessity of selling the securities which had depreciated.

Mr. SCHMIDT. And recovery of the securities might follow if they sold them.

Mr. BENNET. And without this Government proposition it would be impossible for them, or impracticable for them rather, to continue the work of the Field Museum, as planned, at that time?

Mr. SCHMIDT. So I understand.

Mr. BENNET. And the gentleman who told you that was—

Mr. SCHMIDT. Mr. Ernest Graham.

Mr. BENNET. And that knowledge was a part of the knowledge that the commission had?

Mr. SCHMIDT. Yes.

Mr. BENNET. Now, in relation to Fort Sheridan, you are the consulting engineer up there?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. Is there any portion of the building that is being used for soldiers, either wounded or unwounded?

Mr. SCHMIDT. The former stables out there.

Mr. BENNET. The former stables are being used for the enlisted personnel? That is, the well men who work around the hospital, in connection with the hospital?

Mr. SCHMIDT. Yes.

Mr. BENNET. And not the patients?

Mr. SCHMIDT. No, sir.

Mr. BENNET. And where are those stables and stalls situated?

Mr. SCHMIDT. The stalls have been removed and the stable buildings are—oh, possibly, 500 or 600 feet from the southwest corner of the group of hospital buildings. They are on the reservation.

Mr. BENNET. How many men are being accommodated in these ex-cises?

Mr. SCHMIDT. I could not say exactly, but I believe that the personnel amounts to close to 1,000.

Mr. BENNET. In the stables?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. When those stables were used as stables the stalls had the usual little windows outside, such as you see in the ordinary stable?

Mr. SCHMIDT. Yes.

Mr. BENNET. And those windows are there yet?

Mr. SCHMIDT. I do not know; but there are other ones there, too.

Mr. BENNET. Has the ventilation been materially improved in those stables?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. Your partner testified that the large factor in the protection against fire in those buildings was the human element. Would you be inclined to agree with him in that?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. That the buildings themselves were built of green pine, were they not, largely—the new construction?

Mr. SCHMIDT. Yes; the same material that is used in our other buildings.

Mr. BENNET. Yes; new and unseasoned lumber?

Mr. SCHMIDT. Yes; we could not get any other around there.

Mr. BENNET. And the fittings of the brick portion are of the same material?

Mr. SCHMIDT. The same material; yes, sir.

Mr. BENNET. Do you consider the brick portion materially more fire safe than the wooden portion of the construction at Fort Sheridan?

Mr. SCHMIDT. They are somewhat more fire safe. There is not much danger from outside hazards.

Mr. BENNET. Is it a fair test of a building that holds itself out to be fire resisting to build a fire in the middle of a room before the furniture is put in, and close the doors and windows and see what will happen?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. If that were done out at Fort Sheridan, what would happen to those buildings?

Mr. SCHMIDT. They probably would be destroyed. They would be destroyed if no means were taken to put the fire out.

Mr. BENNET. That is what I mean. What they did to the Navarro Flats in New York, start a fire; drench them in kerosene oil, and start a fire and go away. Do you think if that was done with the Fort Sheridan buildings they would be apt not to find any buildings there when they went back?

Mr. SCHMIDT. I think they would.

Mr. BENNET. If they did that to the Speedway buildings, what would be the effect?

Mr. SCHMIDT. It would break the glass and probably burn the window sash, and would damage the paint on the plaster, and calcine some of the plaster, but would do no material damage. It would not pass out of the room to another room.

Mr. BENNET. There has been just one criticism I have heard in relation to the Speedway Hospital building, and that is that it is 50 feet wide and 2,000 feet long. As an expert in hospital construction, do you regard that as a good criticism?

Mr. SCHMIDT. No, sir.

Mr. BENNET. If you had to plan the Speedway Hospital building over again, would you make it straight or with fingers?

Mr. SCHMIDT. I would make it just as it is.

Mr. BENNET. What is the reason for such a long, narrow building for a hospital building?

Mr. SCHMIDT. In a hospital we strive to secure the maximum of sunlight and air, and it is obvious that a very thin building will have both; that air will pass through a very thin building, in at one side and out the other, the quickest, passing the least number of people, the idea being that the same air should not be used by more than one person. If you have a very wide building of possibly 40 or 50 beds in a row, with windows on each side of the room, the air coming in at one side would pass over all of these persons, and there would be a certain amount of danger of others breathing contaminated air. Therefore, a very thin building has that advantage. The occupants do not suffer in that respect.

Then, if you face that building on a north and south line and a meridian, its walls will have sunlight for more hours per day than any other shaped building or any building set in any other direction. A building standing on a north and south line like that one does, with almost no projections to shade the walls, will have the sun on the east side practically all morning and on the west side practically all the afternoon, and the only portion of that building which does not have sunlight on every sunny day of the year will be the north end, which, in the case of the Speedway, is a very small proportion. Almost 99 per cent of the exterior walls will have sunlight for a larger period on every portion of it than any other form of building you could give them.

Now, while I did not hear that criticism, I imagine that the person who made it may have thought that it would be necessary for attendants to travel from one end to the other of that building, 2,000 feet. That is not the case; no more so than it would be for an attendant to travel from the administration building to the various wards of one of the hospitals, in accordance with the plan of the surgeons, where they now have 12 or 14 of their large ward buildings, where the outermost ones are likely to be 2,000 feet away; and the idea of building those frame buildings fireproof is this: We all know the fire hazards, with the average minimum distance between them of 60 feet, established by fire-protection engineers; so that in the case of the Speedway it was simply building a hospital in one room, with the added advantage of having access from one to the other without going outdoors between the sections, and each one of these eight has a capacity of 300 or 400 patients. They are not all of the same capacity, but each one is a unit. There are fire doors between the sections, and each one of these eight has a capacity of 300 or 400 patients. They are not all of the same capacity, but each one is a unit, with every auxiliary necessary for the operation of that one unit, with the exception of the operating departments.

All of the operating departments—the eye, ear, nose, and throat—and dental laboratories and dental operating rooms are in a separate department; and the patients' mess, that is in one department, so that the patients who are able to travel to the mess hall do go some distance to do it, but no more so than in any other form of hospital; so that this form of plan offers every advantage, and it would be used, I am sure, in many instances if pieces of property of the size of the Speedway property were available; but in most instances that I know of they have no piece of property that is a mile long for building a building of that shape, and they are therefore obliged to build either many stories or to build their buildings in U form or E form, with

many wings, thereby creating courts, which throw shadows, and one portion of the building throws a shadow over another portion, so that the sunlight can not get at the walls and windows.

Mr. BENNET. Did the Secretary of War appoint a commission to pass on the Surgeon General's plan, such as the Fort Sheridan Hospital is constructed from?

Mr. SCHMIDT. I believe such a commission was appointed by the Secretary of War.

Senator HARDWICK. What is the relevancy of all that to this inquiry?

Mr. BENNET. Why, it seems to be a very curious circumstance that some one here, while Secretary Baker was absent—he did not have the charge of it—some one here, having the choice between these hospitals, chose the one that is so much inferior. Now, if in addition to what we know of those two, there is a report from the commission appointed by the Secretary of War to pass on the plans of the Fort Sheridan Hospital, which admits it, I think that rather adds to the urgency of the desire to know why they chose the inferior building.

Senator HARDWICK. Now, let me give you the idea I have about this matter. It is perfectly apparent to my mind that this thing drifted, and was turned down or was disapproved, and reopened prior to the signing of the armistice, and that is the material thing that made the material difference about this whole thing. I believe if the armistice had not been signed this thing would have been accepted to-day.

Mr. BENNET. Of course you are in error about that, because on the 24th of October, which is before the armistice was signed, this amended proposition of October 12 was rejected.

Senator HARDWICK. But, was not that reopened after the armistice was signed?

Mr. BENNET. Yes; it has never been closed.

Senator HARDWICK. Yes; that is what I thought. You had your first approval at the time when hospitals were needed very badly?

Mr. BENNET. Yes.

Senator HARDWICK. I can understand that; but when the 11th day of November came and this thing was still unapproved, I can see how the Government gradually changed its position with regard to that.

Mr. BENNET. Oh, yes; but on the 24th of October the armistice had not been signed.

Senator HARDWICK. I have not any doubt in my mind that that was the trouble about it, that the armistice was signed and everybody thought the war was going to end.

Mr. BENNET. We can agree with you as to a part of it.

Senator HARDWICK. That is the trouble now. I think you might go into this question as to why they rejected it then when they saw that they needed hospitals so badly. That is the main thing.

Mr. BENNET. Yes.

Senator HARDWICK. Why, before the war was over, and they needed every bed they had, they rejected these two hospitals.

Mr. BENNET. I will ask that question. Why was the Speedway hospital rejected on the 24th of October, as it was rejected then, do you know?

Mr. SCHMIDT. No, sir.

Mr. BENNET. Have you any idea why it was rejected on the 26th of September?

Mr. SCHMIDT. No, sir.

Senator HARDWICK. Was there any reason on the grounds of the hospital itself, or the merits; was there any business reason before the armistice was signed that could have caused the rejection of this hospital?

Mr. SCHMIDT. I never heard it, and never could get any information from anyone I spoke to about it, as to why it was rejected.

Mr. BENNET. It was just rejected and that was all.

Mr. SCHMIDT. Yes.

Senator HARDWICK. I can see now why there was a difference about it.

Mr. ADCOCK. I would like to ask some questions.

Senator HARDWICK. I want you to ask the questions you desire to, but let us cut out what is unnecessary.

Mr. ADCOCK. Yes. Do you remember how this \$62,000 rental was arrived at?

Mr. SCHMIDT. I remember some of the elements, yes, sir.

Mr. ADCOCK. Did the trustees of the Field Museum have to expend any money—\$840,000—to bring their building to a point where they would meet the hospital plans?

Mr. SCHMIDT. They had to spend considerable money.

Mr. ADCOCK. And was not the rental calculated on the basis of 5 per cent on the \$840,000, plus some \$15,000 which the South Park commissioners were to pay, or paid, the trustees, as long as the museum was open?

Mr. SCHMIDT. Yes, sir. I understand that the museum had an agreement with the South Park trustees by which the park paid the museum a sum for the admissions that the museum lost on the free days—Saturdays and Sundays—and the other estimate was that of the amount of money expended to make it a hospital.

Mr. ADCOCK. And then the \$8,000, the balance, was the added annual receipts from paid admissions?

Mr. SCHMIDT. I do not know what the sum was.

Mr. ADCOCK. But that entered into that?

Mr. SCHMIDT. Yes, sir.

Mr. ADCOCK. So that, as I understood you to say, the trustees of the Field Museum would receive very little benefit from the \$1,170,000 which the Government was to spend on its plans for the hospital?

Mr. SCHMIDT. Yes, sir.

Mr. ADCOCK. And of course the museum trustees did not have to pay any rental to the South Park commissioners for the occupancy of the land, did they?

Mr. SCHMIDT. No, sir.

Mr. ADCOCK. And therefore, if they did nothing the interest on their securities would accumulate, would it not?

Mr. SCHMIDT. Yes, sir.

Mr. ADCOCK. But if they just let the building stand so long as the Government occupied it?

Mr. SCHMIDT. Yes, sir.

Mr. ADCOCK. What was the authority of this commission which you mentioned, consisting of Gen. Noble, and Mr. Trainer, and yourself?



Mr. SCHMIDT. I do not remember the exact wording of it. I think I have it here. Yes; here it is. [Reading:]

1. You are hereby appointed the member of the board provided for in the order of The Adjutant General to represent the Construction Division.

2. In accordance with the attached copy of the authorization of the Secretary of War for the procuring by lease or purchase of existing structures and the modification thereof, of about 38,500 beds of hospital capacity, this board is empowered to negotiate or contract for the lease or purchase of property for this purpose. The contract for the construction work will be made by this office in accordance with its usual procedures.

\* \* \* \* \*

R. C. MARSHALL,

*Brigadier General, U. S. Army, Chief of Construction Division.*

Mr. ADCOCK. Then you represented the Construction Department?

Mr. SCHMIDT. On the commission I represented the Construction Division.

Mr. ADCOCK. And Gen. Noble represented the Surgeon General?

Mr. SCHMIDT. Yes, sir.

Mr. ADCOCK. And what was Mr. Trainer's duty?

Mr. SCHMIDT. I understood that he represented the real estate section of Purchase, Storage and Traffic.

Mr. ADCOCK. How many hospital beds was your commission authorized to acquire and did it expect to acquire and add in the vicinity of Chicago?

Mr. SCHMIDT. From 10,000 to 12,000.

Mr. ADCOCK. You have named a number of buildings which were examined by your commission, and as I understand the authority was merely to lease and acquire existing buildings for hospital purposes?

Mr. SCHMIDT. Yes.

Mr. ADCOCK. What buildings did you acquire outside of the Field Museum, either by lease or otherwise, for hospital purposes?

Mr. SCHMIDT. The Cooper-Monatah Hospital in Chicago, located at the corner of Forty-seventh Street and Drexel Boulevard, Chicago.

Mr. ADCOCK. How many beds had that hospital?

Mr. SCHMIDT. Six hundred and forty beds, I think.

Mr. ADCOCK. What others?

Mr. SCHMIDT. No others in Chicago.

Mr. ADCOCK. At other points in the vicinity of Chicago, what hospitals?

Mr. SCHMIDT. The Springs Hospital, at West Baden, Ind., 1,250 beds. The Ford Building, in Milwaukee, Wis., 1,400 beds. The Ford Building, at Des Moines, Iowa, around 2,000 beds.

Mr. ADCOCK. That was all.

Mr. SCHMIDT. Yes, sir.

Mr. ADCOCK. Did you understand that the members of the commission—that your commission—had any jurisdiction to inquire into the Speedway Park proposition?

Mr. SCHMIDT. No, sir.

Mr. ADCOCK. During what time was the commission engaged—what period that you were on the commission, were they engaged—in work at Chicago and vicinity, in acquiring these hospital sites either by lease or purchase?

Mr. SCHMIDT. I was appointed on September 23, and from then until the evening of October 23 we were in and about Chicago, principally in Chicago; but we went to West Baden and Battle Creek, Mich., and Milwaukee and Des Moines during that time.

Mr. ADCOCK. During all that time was Mr. Trainer there with you?

Mr. SCHMIDT. Yes, sir.

Mr. ADCOCK. Did you go to Waukesha?

Mr. SCHMIDT. Yes; from Milwaukee we went to Waukesha and Lake Geneva. Then on October 23 we left for St. Paul and Minneapolis, and examined many buildings in both cities; stopped at Mankato for a short time, and then went to Rapid City, S. Dak., and also Hot Springs, S. Dak., where we examined some of the buildings, and from there we received orders to return to Washington. That was about the 1st of November.

Mr. ADCOCK. I understand you did not actually close, did not acquire the lease of the property. until practically the end of your work in Chicago?

Mr. SCHMIDT. Yes, sir.

Mr. ADCOCK. It was the very last thing?

Mr. SCHMIDT. That was what was keeping us there.

Mr. ADCOCK. In case of a commission that was to acquire property, with the jurisdiction you read, was it understood and was it reasonable that the commission should examine a building such as the Field Museum for hospital purposes?

Mr. SCHMIDT. Yes, sir.

Mr. ADCOCK. In acquiring these properties, what did Mr. Trainer do in connection with the work of the commission?

Mr. SCHMIDT. Well, we naturally relied on each man of the commission, paying particular attention to the work which was germane to his training and former business. I looked after the building and architectural line of the business particularly, and Mr. Trainer somewhat more after the financial aspect of it, and Gen. Noble and Col. Northington after the hospital part of it; and we all discussed these matters among ourselves very thoroughly and acquainted each other with every detail.

Mr. ADCOCK. As I understand it, your work and Mr. Trainer's work were not required until Gen. Noble, of the Surgeon General's office, had selected the building or buildings that he wanted?

Mr. SCHMIDT. Well, I understood that Gen. Noble had seen it before I came on the commission, and laid it before the commission as soon as we met, to examine.

Mr. ADCOCK. But you would not have anything to do, of course, with construction, or Mr. Trainer with the work of acquiring the property, until after it had been selected by the representative of the Surgeon General's office?

Mr. SCHMIDT. Well, I think the commission acted more with one mind and did not leave any part for one person to consider.

Mr. ADCOCK. In other words, you discussed the availability of the buildings from a construction standpoint and the possibility of reconstructing or changing or modifying them, and also the question of the ability to acquire at a fair price.

Mr. SCHMIDT. Yes, sir.

Mr. ADCOCK. Did you have any conversation with Mr. Hines or anyone else with reference to the Speedway Hospital project?

Mr. SCHMIDT. Yes, I did; with a great many people, and sometimes with Mr. Hines. I met Mr. Hines in Washington and saw him in Chicago.

Mr. ADCOCK. Did you see him in Chicago any time?

Mr. SCHMIDT. I think I saw him—I remember once, and possibly more times—in Chicago.

Mr. ADCOCK. When you talked with him about the Speedway project?

Mr. SCHMIDT. Yes, sir.

Mr. ADCOCK. And the Field Museum?

Mr. SCHMIDT. Yes, sir.

Mr. ADCOCK. Will you state how this meeting came about with Mr. Hines, and what was said in the conversation?

Mr. SCHMIDT. The one in Chicago?

Mr. ADCOCK. Yes; concerning the Field Museum and the Speedway.

Mr. SCHMIDT. Before the lease was closed?

Mr. ADCOCK. How long before?

Mr. SCHMIDT. Either in the week before or in the same week, some one at Mr. Hines's office called me on the telephone at my office and asked if I would come over to Mr. Hines's office. I replied that I could not, because I expected the other two members of the commission in a very few minutes and we were on our way to examine a building at some distance from the heart of the city, and that we had to leave early; so that they said, "Very well; Mr. Hines is on the way to Washington, and on the way to the depot he will stop in and see you"; and shortly after Mr. Hines, Mr. Newman, and Mr. Shank came into my office and into my room, and Mr. Hines asked if it was true that we were about to close the lease on the Field Museum, and I said we were drawing very close to it; that we were gradually arriving at the meeting point; and he said that he thought it was a shame to take that building and spend so much money for it as he had heard was going to be spent on it; and finally he said that he thought the commission was not doing right; that he was on his way to Washington and that he was going to do all he could to have the commission recalled.

Mr. ADCOCK. Discharged?

Mr. SCHMIDT. Well, he said, "recalled."

Mr. ADCOCK. Recalled from your duties?

Mr. SCHMIDT. Yes.

Mr. ADCOCK. Did you have any other conversation with Mr. Hines about the Field Museum project and the Speedway?

Mr. SCHMIDT. No, sir, not to my recollection.

Mr. ADCOCK. Did you say anything in any other conversation with Mr. Hines as to why the commission would not consider the project? The Speedway project?

Mr. SCHMIDT. Yes; that point was discussed; that the Speedway was not subject to our lease for purchase or recommendation; that we could not consider it.

Mr. ADCOCK. It was not within your jurisdiction?

Mr. SCHMIDT. Not at all within our jurisdiction; that it was not a building far enough along to be one of those that we could consider.

Mr. ADCOCK. As to existing facilities?

Mr. SCHMIDT. That the purpose of appointing this commission was, as I understood it, to comply with the program of the War

Industries Board, not to use much building material which had to be transported, or for which coal was required. That was one purpose. The other was that in the emergency we had, buildings could be converted into hospitals, and it would not be possible to construct new buildings.

Mr. ADCOCK. Did the use of steel have anything to do with the consideration of your acquiring hospitals?

Mr. SCHMIDT. Certain forms of steel; yes, sir.

Mr. ADCOCK. Did your commission consider that a great emergency existed at this time to acquire hospital beds as soon as possible?

Mr. SCHMIDT. Yes, sir. I knew that.

Mr. ADCOCK. At that time everybody assumed that the war would continue for a number of months—perhaps for a long time?

Mr. SCHMIDT. Yes, sir.

Mr. ADCOCK. Much longer than it actually did?

Mr. SCHMIDT. Yes.

Mr. ADCOCK. Was the commission required to act under the rule of the War Industries Board with reference to anything that it did with regard to making modifications?

Mr. SCHMIDT. I do not know that it was fully obligatory. Our instructions read that we were to advise the regional director. It says in the instructions:

The War Industries Board has been consulted and concurs in the project, and it has instructed its regional advisers to cooperate with these boards and to give the necessary clearances on each project.

So that, in order to expedite this as much as possible, I immediately communicated with the regional adviser so as to be able to obtain priorities for the contractor.

Mr. ADCOCK. Now, in your work with Mr. Trainer, did you consider that he worked faithfully and well on the commission?

Mr. SCHMIDT. I do. I considered him unusually capable, earnest, and always working in the best interests of the Government.

Mr. ADCOCK. Did you observe anything that he did that caused you to feel suspicion toward him?

Mr. SCHMIDT. No, sir. He spoke very favorably of the Speedway project—of that land. I remember one statement that he made, that he had been employed to find property for a large industrial plant in the vicinity of Chicago, and that this piece of ground was the only 340-acre tract under one ownership which they could find within a dozen miles of the city at all.

Mr. ADCOCK. Did you ever hear him say anything that was derogatory in any way, or in criticism of the Speedway project?

Mr. SCHMIDT. No, sir.

Mr. ADCOCK. You were with him continuously during the period of about the 23d of September until the 1st of November?

Mr. SCHMIDT. Yes, sir; we slept in the same drawing rooms and the same hotel rooms a great many times; ate together, and were together at all hours of the day and night.

Mr. ADCOCK. And I presume your talk at times was confidential and intimate.

Mr. SCHMIDT. Oh, yes.

Mr. ADCOCK. You have known Mr. Trainer for a number of years. have you not?

Mr. SCHMIDT. Yes, sir.

Mr. ADCOCK. What knowledge have you, and what is his reputation for integrity and honesty there?

Mr. SCHMIDT. His reputation is the best.

Mr. ADCOCK. You never heard any word said against him?

Mr. SCHMIDT. No, sir.

Mr. ADCOCK. Affecting his reputation and honesty?

Mr. SCHMIDT. No, sir.

Mr. ADCOCK. Or his veracity?

Mr. SCHMIDT. No, sir.

Mr. ADCOCK. Were the Field Museum trustees anxious to make this lease?

Mr. SCHMIDT. I thought for a while that they were not. But I believe to-day that they were.

Mr. ADCOCK. I think that is all, Mr. Chairman.

Mr. BENNET. Mr. Trainer knew that you were the architect of the Speedway?

Mr. SCHMIDT. Yes.

Mr. BENNET. And that you thoroughly believed in it as a hospital project?

Mr. SCHMIDT. Yes.

Mr. BENNET. Now, in relation to the freight and everything like that—how far did the Government bring this lumber for the Fort Sheridan project?

Mr. SCHMIDT. Most of it came from the Pacific coast.

Mr. BENNET. From the Pacific coast?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. Two thousand five hundred miles, roughly?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. You spoke about your jurisdiction being confined to completed buildings. Neither the Field Museum nor the Speedway were completed buildings at that time, were they?

Mr. SCHMIDT. No, sir.

Mr. BENNET. And of the two the Speedway could be completed the quicker for hospital purposes, could it not?

Mr. SCHMIDT. Yes.

Mr. BENNET. In your report to the Government, did you make any criticism of the Field Museum?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. Of course, that is on record here in Washington?

Mr. SCHMIDT. Yes.

Mr. BENNET. Have you a copy of it with you?

Mr. SCHMIDT. No, sir.

Mr. BENNET. Was Mr. Trainer on any prior hospital commission but the one that you and he served on together?

Mr. SCHMIDT. I do not know.

Mr. BENNET. When you and he and Gen. Noble first went to see the Field trustees or Mr. Graham, the architect, did Mr. Trainer seem to have any prior knowledge of the Field Museum and its facilities?

Mr. SCHMIDT. Well, he seemed to know something about it; yes, sir.

Mr. BENNET. And it is my recollection of your testimony that the first thing that happened was, after you were appointed on the committee, some one said, "Now, let us go and see the Field Museum."

Mr. SCHMIDT. My recollection is that about the first day Gen. Noble asked us to go to Fort Sheridan with him and we went on and examined the Field Museum either the second or third day after my appointment.

Mr. BENNET. Do you know who canceled the contract for the Field Museum, or when it was canceled?

Mr. SCHMIDT. Who canceled it?

Mr. BENNET. Yes.

Mr. SCHMIDT. It has not been fully canceled yet.

Mr. BENNET. Do you know what action Secretary Baker took on it when he returned?

(At this point, at 1 o'clock p. m., a recess was taken until 1.10 o'clock p. m. At the expiration of the recess the subcommittee reassembled.)

Senator HARDWICK. Owing to the engagements of the members of the committee, it is impossible to secure a quorum of this committee any further this afternoon. It appears that I am the only member of the committee who can be present. Therefore, we can not go on to-day.

Col. HORNSBY. Senator, may I ask when I can be heard? I am at great inconvenience in having to stay in town.

Senator HARDWICK. Just as soon as we can have a meeting of the committee we will consider the matter of retaining witnesses here. I am deeply regretful that we can not go on during the day, but it is impossible for me to get a quorum to-day.

I think, Mr. Schmidt, that we are through with you, and if you want to go back home you can do so. I am sorry that we can not let all the witnesses go back. Some of them we have got to hear.

(Thereupon, at 1.20 o'clock p. m., the subcommittee adjourned until to-morrow, Tuesday, January 28, 1919, at 10 o'clock a. m.)



## MILITARY HOSPITALS.

TUESDAY, JANUARY 28, 1919.

UNITED STATES SENATE,  
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS.

*Washington, D. C.*

The subcommittee met, pursuant to adjournment, in the committee room in the Capitol at 10 o'clock a. m., Senator Thomas W. Hardwick (acting chairman) presiding.

Present: Senators Hardwick, Beckham, France, and Lenroot.

Mr. BENNET. Mr. Chairman, we are ready now to put Gen. Stotesbury on the stand, with your permission. Before he testifies, however, in order to demonstrate that I want to expedite things, I want to say to the committee that since yesterday I have had the opportunity of reading a part of the Stotesbury report, including the letter from Col. Hornsby, and after reading it I have no intention of calling Col. Hornsby. The statements that he makes in that letter—for instance, that the Speedway Hospital ground is under water half the year—have been so abundantly disproved that it is not worth while to call the colonel.

Senator HARDWICK. So far as you are concerned, then, Col. Hornsby is relieved from attendance?

Mr. BENNET. Yes; and I do not desire to assume the responsibility of asking Col. Hornsby to testify under oath.

Senator HARDWICK. Very well. Is Col. Hornsby in the room?

Col. HORNSBY. Yes.

Senator HARDWICK. Colonel, as far as the committee are concerned, you are excused for the present, and, as far as we know, permanently.

Col. HORNSBY. I can go home?

Senator HARDWICK. Yes.

Col. HORNSBY. Thank you.

### TESTIMONY OF MR. LOUIS W. STOTESBURY.

(The witness was sworn by the chairman.)

Mr. BENNET. Please give your name, etc., to the reporter.

Mr. STOTESBURY. My name is Louis W. Stotesbury. I am a lawyer by profession, having been engaged in the practice of law for 25 years in the city of New York.

Senator FRANCE. Give your firm name, please, General, so that we will have your address.

Mr. STOTESBURY. My present firm is Stotesbury & Miner.

Mr. BENNET. In addition to being rather well known as a lawyer in New York City—which you will have to permit me to testify to



in this way—you have been connected with the National Guard in our State for a number of years?

Mr. STOTESBURY. I entered the National Guard in 1891, enlisted in the Seventh Regiment, and served there for 20 years in every grade up to the grade of captain. I was then appointed lieutenant colonel and inspector general of the New York division, in which capacity I served for three years. I served upon the military staff of Gov. Hughes and Gov. White. Then I was appointed in 1914 adjutant general of the State, with the grade of brigadier general, took office with Gov. Whitman in 1915, and served through his first term. I was reappointed in 1917 and served until after the National Guard had been drafted into the service, and the first quota under the selective-draft service act had been ordered to mobilization camp, acting during that time as United States disbursing officer and agent in connection with that service. Then I resigned my office and entered the Federal service as major in the Inspector General's Department. I might mention that between the time that I resigned and the time that I entered the Federal service I received the complimentary nomination as judge of the city court of the city of New York on the fusion ticket, the one on which Mayor Mitchel ran.

Mr. BENNET. When you entered the service you took a voluntary demotion from the grade of brigadier general to that of major?

Mr. STOTESBURY. I took the only commission that seemed to be open at that time. I served in the Inspector General's Department until after the armistice was signed, and left the service on December 30 last year. I might add that in October I was transferred from the Inspector General's Department to the war-plans division of the General Staff, and concluded my service in that division.

Mr. BENNET. About the 29th or 30th of October, 1918, were you directed by the Inspector General to make an investigation into the hospital situation in Chicago so far as it pertained to the Field Museum and the Speedway?

Mr. STOTESBURY. I was.

Mr. BENNET. And is your report here somewhere? I think I can find it. So far as I am concerned—I have not read the evidence as yet; the counsel rather divided things yesterday; I read the report and they read the evidence—I am perfectly willing to have the general read merely his conclusions, and have the rest of the report printed without reading.

Senator HARDWICK. Do you not think, if we are going to have it printed, instead of having the general take the time to read it you might have him summarize it?

Mr. BENNET. Very well.

Senator HARDWICK. He is a very intelligent witness, and can tell us in that way.

Senator LENROOT. Perhaps that is what you meant—his conclusions.

Senator HARDWICK. Mr. Bennet spoke of reading it, though. I do not see the use of that.

Mr. BENNET. He can state his conclusions, if he can do that.

Mr. STOTESBURY. If the committee pleases, the conclusions are briefly stated, and perhaps it will be better just to read them.

Senator HARDWICK. All right.

Mr. ADCOCK. And I presume the entire report, with the exhibits, etc., will go in evidence here?

Senator HARDWICK. Yes. Now, can we give that to the reporter? These are the original documents of the War Department, are they not?

Mr. STOTESBURY. Yes, sir.

(After a discussion between members of the subcommittee and Col. Wright in reference to making photostate copies of the report, the following occurred:)

Senator HARDWICK. We understand, then, that this report, with the accompanying documents, is in evidence, and Col. Wright will furnish copies for the record.

Mr. BENNET. I should like to make one suggestion. Mr. Newman, when on the stand, stated the incident of an old Grand Army man that came to him. By consent of the committee, the name was withheld. We make no charge that he was anything more than a good friend of Mr. Newman's who was trying to make a helpful suggestion. Putting his name in the record—

Senator HARDWICK. Is his name in this report?

Mr. BENNET. Yes, sir.

Mr. ADCOCK. I want to make this suggestion, if the chairman pleases. So far as I have had an opportunity to read the statements of Mr. Newman and Mr. Poppenhusen, which are in Gen. Stotesbury's report, it seems that they placed an entirely different construction upon the action of this Grand Army man than Mr. Newman did here the other day, so I feel that under the circumstances this gentleman's evidence should be examined by the committee, so that the question will be cleared up, and perhaps the general might have considered of some force the evidence which—

Senator HARDWICK. In other words, do you want the name to go in the record like it is?

Mr. ADCOCK. Yes; there is no objection to it. There is not any reflection cast on him.

Senator HARDWICK. I do not see how it can hurt him at all.

(After informal discussion:)

Senator HARDWICK. If there is objection, I do not see how we can withhold it.

Mr. BENNET. All right.

Mr. ADCOCK. Senator, the evidence of the gentleman here is perfectly plain. There will be no criticism upon him.

Senator HARDWICK. I think if he appears in this thing there is no need to mask his name.

Senator FRANCE. His name appears in this report, does it?

Mr. BENNET. Oh, yes.

Senator FRANCE. I think the committee must have the report printed in full.

Senator HARDWICK. Like it is.

Mr. BENNET. I make a similar request in another connection. Mr. Newman was permitted by the committee simply to mention a prominent banker by that description. There is no contention, I think, on either side, that this banker was connected in any way with the proposition; and inasmuch as Mr. Newman was allowed to withhold it, I make a similar request in relation to the name of this banker, that he be alluded to as "a prominent banker."

Mr. ADCOCK. In this report of Gen. Stotesbury there is a statement of an interview with this gentleman, and if this is going in evidence I do not see how it can be left out.

Senator HARDWICK. I do not, either. I do not see that it hurts the banker.

Mr. ADCOCK. There is not any reflection whatever upon him.

Senator HARDWICK. We will let it go in. Now, Col. Wright, it is understood that you will take charge of this report and have these photostatic copies made for us. Thank you very much.

Senator FRANCE. General, is this the original report? It seems to be a photostat copy.

Mr. STOTESBURY. In some respects the accompanying documents seem to be the originals, but other parts of the report are photostat. It is referred to in a communication from the Inspector General as a copy, except these particular accompanying documents which were sent as part of the reference.

Senator HARDWICK. For instance, there is the original letter from Col. Hornsby?

Mr. STOTESBURY. Yes, sir.

Senator HARDWICK. I notice that on the top. I think possibly we had better just put that in as it is.

Mr. ADCOCK. I should like an opportunity to have a copy of the report.

Senator HARDWICK. Oh, yes. As soon as Col. Wright can have them made they will go right into the record.

(As a result of further discussion, Col. Wright was requested to furnish a copy to counsel on each side, as well as to the reporter for the record.)

Senator HARDWICK. Suppose, then, you state the conclusions.

Mr. STOTESBURY. Senator, would it be proper for me just to make this suggestion? Of course these investigations made by the Inspector General's department are considered as being for the confidential information of the War Department and the Secretary, and while we can insure no witness security of that character upon his examination, the witnesses have in all cases been examined separately and a rather liberal method of examination is pursued, not always strictly according to the rules of evidence, and witnesses are often invited to express opinions as to the situation merely as a guide to the inspector, so that there might be incorporated in the report matters of that character, so that while I can not suggest that it should be considered in executive session by the committee, it would seem that to the fullest extent possible that character of the investigation and report ought to be maintained.

Senator HARDWICK. Yes; but even so, Mr. Stotesbury, the committee is not proceeding as a court of law would try a man or an issue. It is proceeding, I suppose, under fully as much latitude as any executive department can to endeavor to ascertain just what the facts are with reference to this matter, and unless that course of procedure does grave injustice to somebody, I can not see why—

Mr. STOTESBURY. On the point of injustice, so that you will fully understand the character of it, my report is made to the Inspector General of the Army, and then is subject to his review and memorandum, and could be adopted or disapproved before it is forwarded to the Secretary. Matters are referred to in here which should carry

no weight when it is not within the jurisdiction of that department; for instance, in the consideration of those not in the military service. Now, reference is made here to the connection of persons not in the military service, and, in respect to that, suggesting that the matter be referred to an appropriate department for proper action.

Senator HARDWICK. I take it, Mr. Stotesbury, that possibly the only damage that might be done by a thing like that would be to warn some potential criminal that he was about to be prosecuted. If there is any recommendation of that sort in this report, I imagine that the character of the evidence, the nature of the proceedings, has already been sufficient to put them on notice.

Mr. STOTESBURY. Very well.

Senator LENROOT. General, were all the witnesses who testified sworn?

Mr. STOTESBURY. All the witnesses were sworn unless it is otherwise stated. There were one or two interviews.

Senator LENROOT. Were witnesses sworn concerning whom there were reflections or charges made?

Mr. STOTESBURY. In one case, and then he was very carefully warned that anything that was said might be used against him, and he waived any privilege or immunity by reason of the investigation.

Senator HARDWICK. In stating your conclusions, the questions involved in Senator Lenroot's suggestion are not at stake, are they?

Mr. STOTESBURY. No, except in, say three paragraphs.

Senator HARDWICK. Well, that is your opinion?

Mr. STOTESBURY. Yes; my opinion.

Senator LENROOT. That is all right; go on.

Senator HARDWICK. Suppose we do this; just let me make this suggestion: Suppose we ask Col. Wright, when he gets these documents all copied, not to turn them over to anybody except the clerk, not even the attorneys for the present, and we can consider in executive session some of the questions that arise in connection with the legal aspects of the matter before we decide how much of this report is to be made public.

Senator LENROOT. Or to go into the evidence before the committee.

Senator HARDWICK. How much is to be made a matter of public record.

Mr. STOTESBURY. I only make the suggestion because my opinion in a matter of that sort might not be confirmed by your committee and it would carry with it a certain publicity which might never be answered and the other investigation might show the entire contrary.

Senator HARDWICK. Suppose you just read the conclusions and then we will see about it.

Mr. BENNET. Do I understand, then, that the name of this Grand Army man—

Senator Hardwick. Nothing of that will go into the record at present.

Mr. STOTESBURY. There is nothing in that. I can not see anything in that suggestion any more than in the case of any other witness that appeared. There people that I have examined are matter-of-record witnesses in the case, and I do not see how the mention of their names is going to affect them or any one one way or the other.

Senator HARDWICK. Well, Mr. Adcock, the question is pretty plain. Mr. ADCKOCK. I do not profess to follow the proposition.

Senator HARDWICK. I will state it to you bluntly. If any man involved in this investigation is possibly guilty of crime, if he were investigated and testified before this committee it might confer immunity on him in subsequent legal proceedings.

Mr. ADCKOCK. So far as any clients of mine are concerned they will waive any question of that kind.

Senator LENROOT. Then will you request that the report go into the record in full, waiving any question of immunity?

Mr. ADCKOCK. Absolutely.

Senator LENROOT. Then that settles it.

Senator HARDWICK. I think so, too. We will ask Col. Wright, still, although we intend to put it in the record, to follow the plan we suggested. When he gets it fixed up, just send it to the clerk first, and we will look it over.

Col. WRIGHT. I did not intend to offer it to anybody else except you.

Senator HARDWICK. Or to the clerk.

Mr. ADCKOCK. Then we can have the copies of the report?

Senator HARDWICK. Just as soon as we determine that question.

Mr. STOTESBURY. This investigation was made October 30 to November 14, 1918.

Senator HARDWICK. At whose instance?

Mr. STOTESBURY. Pursuant to verbal instructions from the Secretary of War, communicated to the Inspector General on October 29. My report is dated November 16, 1918. The memorandum for the Secretary of War, signed by the Inspector General, is dated on the same day.

Senator HARDWICK. November 16?

Mr. STOTESBURY. November 16 [reading:]

That the matters in controversy—the subject of the investigation—arose in connection with the proposed erection of a United States general hospital upon a tract of land known as Speedway Park, situated at Brondview, a suburb of the city of Chicago, just beyond the city limits, in Cook County, Ill., comprising approximately 320 acres of land between West Twelfth and West Twenty-second Streets, about 10 miles from the lake.

Reference is made to the documents furnished by the Secretary as a basis of the investigation, and a statement is made of the plans which were the subject of the investigation.

The following is a list of the witnesses interviewed by the inspector: Mr. Albert De Wolf Erskine, Mr. Edward Hines, Mr. Jacob Newman, Mr. George H. Shank, Maj. Arthur A. O'Brien, Mr. F. H. Foster, Mr. Wallace G. Clark, Mr. Walter Mills, Mr. Hugh Garden, Mr. Wallace Heckman, Mr. Walter V. Aikan, Mr. Louis W. Pitcher, Lieut. Col. John A. Hornsby, and Lieut. Col. C. C. Wright.

That in addition to the testimony of witnesses there were examined and incorporated in the report the following documents which were considered in connection with the investigation:

Correspondence between the firm of Schmidt, Garden & Martin, architects of the Construction Division, relative to the Speedway project.

Document referred to as a history of the Speedway project.

Copy of record of the Construction Division, including correspondence showing action taken by the various departments of the War Department relative to the project.

Copy of resolution prepared by Maj. O'Brien, of the Construction Division, covering the necessary action to be taken by the Shank company ratifying and confirming the action of George H. Shank in executing and delivering the contract and releasing the service of Mr. Garden, in order that the firm of Schmidt, Garden & Martin might be retained as architects for the Government in connection with said project.

Photograph copies of the minute books of the Shank company, showing the action taken in accordance with that proposal.

Affidavit of Mr. Conrad H. Poppenhusen.

Mr. ADCOCK. Pardon me—was that an affidavit?

Mr. STOTESBURY. That was an affidavit.

Mr. ADCOCK. There was not any examination?

Mr. STOTESBURY. No personal examination; an affidavit.

Sworn statement of Frank H. Foster, secretary and treasurer of the Speedway Park Association, relative to amounts expended and obligations incurred by the Shank company in connection with the hospital project.

Letter from the Rev. Father Shannon, editor of The New World, relative to the ultimate disposition of the property contemplated by Mr. Hines.

A file of picture postals showing residences, schools, and public buildings in villages immediately surrounding the Speedway tract, including Maywood, Oak Park, La Grange, Riverside, and Berwyn.

Memorandum of interview with Mr. George Reynolds.

Estimate by construction division of the cost of hospital project included in final proposal of the Shank Co.

That in addition to the testimony and documentary evidence thus considered, a personal inspection of the Speedway Park property and the Field Museum was made November 6, 7, and 8, 1918.

There follows a statement of facts as found by the inspector, and then the following conclusions therefrom—

Senator FRANCE. Conclusions by yourself, Major?

Mr. STOTESBURY. My conclusions; and this should be regarded only as that based upon the evidence and investigation made by me:

That the Speedway Park property is well situated and satisfactory in every essential respect for a hospital location.

That the proposal of the Shank Co. for the construction of a permanent fire-proof hospital and additional buildings upon said premises, and the conveyance of the land and improvements to the Government for a total consideration of \$3,253,475, is a most meritorious and advantageous one to the Government, and if there is need of a permanent hospital or additional temporary hospital facilities, the Government should reconsider the proposal and accept the same.

Senator HARDWICK. What is the date of this report? You told us just now.

Mr. STOTESBURY. November 16.

That the supplementary offer of Mr. Hines to eliminate from the transaction any portion of the land not deemed essential to the Government in connection with the project, and to allow the Government on the final proposal at the rate of \$1,200 per acre for the land thus excluded, should not be accepted. The entire tract of 820 acres should be taken over by the Government.

That the Government should not bind itself in any way to accept the proposal of the Shank Co. to repurchase the property from the Government at any time within eight years at 40 per cent of the original investment.

That it is the intention of Mr. Hines, in case the offer to repurchase the property were accepted, to present the same, through the Catholic Archbishop of Chicago, for permanent use as a nonsectarian hospital as a memorial to his son, Lieut. Edward Hines, who died in the service in France.

That the Shank Co. proceeded with the construction of the hospital as covered by the terms of the proposed contract executed by Mr. George H. Shank on behalf of the company on August 31, 1918, under circumstances which should entitle that company to equitable relief in the event of abandonment of the project.

That the Shank Co. acted in complete good faith and with the understanding that the contract would be executed, and in the belief that it was carrying out the desires of the Government in meeting an existing emergency.

That in addition to the demolition of existing structures upon said premises necessary in order to proceed with the new construction work, the Shank Co. has actually expended over \$250,000 in cash and incurred present obligations in an additional amount approximating \$250,000.

That with due allowance for the value of the building partially erected upon the premises and the cost of converting the structure to other uses, the Shank Co. would be justly and equitably entitled to substantial consideration in the event of abandonment.

That the carrying out of the Speedway project as proposed by the Shank Co. and backed by Mr. Edward Hines involved a loss or contribution by these interests of an amount approximating \$750,000.

That the purpose of Mr. Hines in furthering the project was the patriotic and commendable one of providing a permanent, modern, fire-proof hospital in place of the temporary, nonfire-proof structures utilized in various localities for that purpose, generously inspired by the loss of his son, Lieut. Edward Hines, who died in the service after three months in a hospital in France.

That Mr. George H. Shank, president of the Shank Co., is entitled to share with Mr. Hines in the credit of the undertaking, for the proposal included no remuneration in any form to him either as profit, commission, or other personal compensation, and he had voluntarily proposed to Mr. Hines to share in proportion to his interest in the property the loss on the investment by reason of the undertaking.

That Mr. Albert De Wolf Erskine had interested himself in the project and was largely instrumental in persuading Mr. Hines and Mr. Shank to undertake the project from entirely worthy and commendable motives, and without any expectation of money consideration or reward therefrom, and was not to receive any remuneration in any form for his services in connection therewith.

That the work covered by the original proposed contract of the Shank Co. in the event of present approval could be completed within 60 days, and the entire project contemplated by the final proposal within 90 days.

That the Field Museum is unfavorably located and unsuitable and inadequate in every respect except floor space for hospital uses.

That any comparison of the relative merits, desirability or economies of the Field Museum with the Speedway project on the basis of estimated cost per bed is wholly inadequate and misleading.

That in the opinion of the architects, the officers of the Surgeon General's Department and the Construction Division who had to do with the development of the plans for the Speedway hospital, provision is made for a modern, up-to-date hospital, complete in every respect, with all of the conveniences of lay-out and arrangement that the most expert firm of hospital architects and medical and construction experts could design. Every 50 and 100 bed ward is a complete hospital in itself, with its separate 10 per cent of quiet rooms, storage and linen rooms, toilets, baths, treatment room, diet kitchen, ward surgeon's room, laboratory, balconies, and solarium. These additional spaces and facilities and the corridors are not included in estimating the proposed Speedway hospital as a 2,500-bed project. On the other hand, no amount of alteration of reconstruction can make a hospital out of the Field Museum.

In respect to grounds and surroundings and the accessories that go to make up a hospital, every facility and advantage is in favor of the Speedway. There is no ground at present around the museum upon which additional buildings could be suitably erected, whereas at the Speedway some forty-odd additional buildings are provided for, still leaving acres for any necessary additions, and unlimited space for exercise and recreation.

That no work has yet been done toward the converting of the Field Museum to hospital uses. The original structure is interiorly far from complete. The proposal to utilize the Field Museum for hospital purposes should be reconsidered and disapproved.

That if there should be necessity for additional hospital facilities in the vicinity of Chicago after availing of the proposal for the Speedway construction now under consideration, that hospital could be duplicated on the Speedway grounds more economically and more satisfactorily than the Field Museum could be converted temporarily to meet such requirements.

The final paragraph, as I say, refers to a matter outside of the War Department, I will just omit that.

Senator HARDWICK. All right.

Mr. STOTESBURY. The recommendations are as follows:

That the proposal of the Shank Co., as set forth in a communication to the Secretary of War under date of October 12, 1918, and as covered in part by the proposed contract executed by George H. Shank on behalf of the Shank Co. on or about August 30, 1918, for the construction of a hospital group and additional buildings upon the land known as the Speedway tract, situated in the village of Broadview, Cook County, Ill., and for the conveyance of such land, comprising about 320 acres, be reconsidered and approved.

Then with regard to the other matter, that reference be made to—

Mr. ADCOCK. I presume that refers to Mr. Trainer. I should like to have it read, because I want to examine the witness with reference to certain matters.

Senator HARDWICK. This relates to Mr. Trainer?

Mr. STOTESBURY. Yes.

Senator HARDWICK. I do not see why we should not have it in.

Senator FRANCE. I do not know. If it relates to Mr. Trainer, was not he in the War Department?

Mr. STOTESBURY. Not in the War Department—that is, not in the military service.

Senator HARDWICK. That does not make any difference.

Mr. STOTESBURY. All right; I will read it in.

That Milton J. Trainer, at the time in the Government service in the real estate section of the Purchase, Storage, and Traffic Division, and now a member of the commission for the selection of existing buildings for hospital use, and a partner of Wallace Clark, doing business in the city of Chicago as real estate agents under the name of Clark & Trainer, some time in the latter part of July or 1st of August, 1918, while the proposal for the use of the Speedway Park for hospital purposes was under consideration, called upon Mr. George H. Shank with his partner, Wallace Clark, and, in the presence of Mr. Shank and Mr. Frank H. Foster, secretary and treasurer of the Shank Co., represented and stated that he was in a position to further the project, and wanted to arrange a meeting with Mr. Hines with a view to arranging for the payment of a commission to him or to his firm in case the property was taken by the Government. That Mr. Hines refused to meet the gentlemen, whereupon Mr. Trainer and Mr. Clark called upon Mr. Jacob Newman and repeated the proposition. That the conversation with Mr. Newman was in the presence of Mr. Newman's partner, Mr. Conrad H. Poppenhusen.

Mr. Newman told Mr. Trainer that Mr. Hines would not pay him a cent under any circumstances, and that it would constitute a criminal offense for Mr. Trainer to accept any money or ask any one to pay him any money, and that if he thought any money was to be paid or offered he would have no more to do with the matter, and would himself lay the facts before the Government. Mr. Trainer argued that he thought he was entitled to be paid for the work that he had done before entering the United States Government, claiming that he was not disqualified to make agreement for his compensation for services rendered, as he had not taken his oath of office. Both Mr. Newman and Mr. Poppenhusen told Mr. Trainer that it made no difference whether he had performed services before or after he had entered the employ of the Government. Later on Mr. Wallace Clark, Mr. Trainer's partner, returned and again urged the proposition, wanting to know if an agreement could not be made with him individually instead of with Mr. Trainer or the firm of Clark & Trainer. Mr. Newman told him that any agreement for the payment of compensation, whether to Mr. Trainer or to Mr. Clark, under the circumstances, would be a criminal offense.

The recommendation in regard to that is:

That the record of the examination of Mr. George H. Shank, Edward Hines, Frank H. Foster, Jacob Newman, Conrad H. Poppenhusen, and Wal-



lace G. Clark, and the conclusion relative to the attempt of Milton J. Trainer and Wallace G. Clark to obtain a consideration for alleged services in connection with the Speedway hospital project in consideration of furthering the same be referred to the Department of Justice for consideration and appropriate action.

Mr. BENNET. General, had any one connected with the Medical Department—to make it more specific—made a written protest against both the Speedway and the Field Museum?

Mr. STOTESBURY. Yes. There was attached to the papers referred to the inspector general a communication from Col. John A. Hornsby dated October 26.

Mr. BENNET. Suppose you read that.

Mr. STOTESBURY. Which reads as follows:

DEAR MR. SECRETARY: I am very much opposed to taking over the Field Museum in Chicago and the Speedway project in that city. We are proposing to spend over two millions of dollars trying to make the Field Museum into a temporary hospital, and after we get through with it, it will be just as much of a hospital as a cyclone cellar with a glass top would be. Besides, I have rounded up over 20,000 beds scattered over the country in buildings of excellent character that adapt themselves to hospital purposes, and they are costing us \$1,760,000. The Field Museum proposition costs more than all of mine together, and will never be a hospital, and even if it could be made into a hospital it is going to take many months to complete the alterations.

I am opposed to the Speedway project, which seems now to have been disapproved by Mr. Crowell, for the reason that we are asked there to pay \$3,500,000 for 2,500 beds which will eventually hold considerably less than 2,000 people after the personnel is taken care of. One of the arguments in favor of this project is that it can be made into a permanent Army hospital after the war. Chicago is my home, as you know, and I know this property well. It is situated in a low, sordid part of Chicago, out on the west side, in a locality that is extremely uninviting to live in. It seems to me that if we are going to spend as much as \$3,500,000 for a permanent hospital for the Army we would go out to Sheridan, which is so beautifully situated up over the lake in a forest of great primeval trees, in a rolling country, and not go and squat down into a place that is under water half the time.

Mr. BENNET. I am not interested in the rest of the letter, unless the committee is.

Senator LENROOT. Let us have the whole of it.

Mr. BENNET. All right.

Mr. STOTESBURY (reading):

Without either of these projects, Chicago is not in a bad situation in regard to hospital beds. Sheridan can take care of approximately 1,500 beds now and we are building 2,500 beds there. By a little alteration we can increase to five or six thousand beds, and we can do this on our own property, and of construction that will last at least for a number of years, far beyond the time when this war will affect hospital conditions. We made a huge mistake in building up a great patchwork piece of hospital construction at Walter Reed. If we are going to have some decent permanent Army hospitals, let's lay them out in some sort of order, and locate them where they will be places of beauty and usefulness.

Sincerely, yours,

JOHN A. HORNSBY.

Mr. BENNET. Did you go to the Speedway personally? I think you have stated that you did.

Mr. STOTESBURY. Yes.

Mr. BENNET. Is it a fact that Col. Hornsby in this statement overlooked the fact that there were 44 additional buildings provided for to house the personnel?

Mr. STOTESBURY. That I could not say.

Mr. BENNET. At any rate, the Speedway project provided for buildings to house the personnel, did it not?

Mr. STOTESBURY. Yes.

Mr. BENNET. Is the Speedway proposition situated in a low, sordid part of Chicago, in a locality which is extremely uninviting to live in?

Mr. STOTESBURY. I did not consider it so; and I had there—it will be found among the exhibits—a survey showing the height above the city datum and above the mean highwater levels of the Desplaines River. My recollection is that the height of the property was a mean elevation of approximately 45 feet above what is known as Chicago datum, and that made it 19 feet above the high-water level. I think, of the Desplaines.

Mr. BENNET. So that the statement that the place is under water half the time is not a true statement?

Mr. STOTESBURY. No. I was out there in pretty wet weather and walked all over the field, and looked down in the main conduit. There is a system there, shown by a survey of the people who put in the underground drainage system, showing about 22 miles of underground drainage; so the property is extremely well drained. The character of the soil is such that without the drainage system that is arranged there, water would be held in pockets for a considerable time; but on this whole tract that had been eliminated by the underground system.

Mr. BENNET. Does your report disclose any reason why Col. Hornsby made these untrue statements?

Mr. STOTESBURY. I examined Col. Hornsby. His examination is short. It is with the record, if you would like to have it read.

Mr. BENNET. Can you not summarize it?

Mr. STOTESBURY. I can state the substance of it.

Senator HARDWICK. Suppose you do that.

Mr. STOTESBURY. The impression that I gained was that the colonel—

Senator LENROOT. Whatever there is is shown in the report.

Mr. BENNET. Whatever there is about his explanation is shown in full in your report.

Senator HARDWICK. Tell us your impression from what the colonel said.

Mr. STOTESBURY. The impression was that the colonel was describing a general locality out by the Desplaines River, and was not confining his opinion to this particular tract, and that he was misinformed of the condition existing there. My recollection is that he did state that he knew the locality well, and had lived in Chicago all his life, and had gone out in that direction and knew how he regarded it; that it was only intended as his personal opinion; that he had lived out there some 15 years before.

Mr. BENNET. So that his knowledge of the property which he said he knew well was a knowledge which had been acquired by residence some 15 years before, and was of a highly general character, giving him the benefit of every doubt?

Mr. STOTESBURY. Well, at any rate, my conclusion in regard to the property was as stated, and it did not accord with the opinion expressed by Col. Hornsby.

Senator HARDWICK. I notice that he says in that letter that it is a very low and undesirable part of Chicago. I suppose he means as far as reputableness or disreputableness is concerned.

Mr. STOTESBURY. It is not that. The surroundings there, these villages that are referred to—

Senator HARDWICK. He says "low and sordid," though. That must be what that letter means.

Mr. STOTESBURY. Yes; low and sordid, and then under water.

Senator HARDWICK. Yes, I know; but there are two elements to it. First, he says the associations are bad.

Mr. STOTESBURY. Yes.

Senator HARDWICK. Did you see anything of that sort when you were out there—anything like its being in a tough neighborhood, in other words?

Mr. STOTESBURY. Oh, no; there is no tough neighborhood. There were golf courses, driving parks, cemeteries. He might have referred to the cemetery.

Mr. ADCOCK. May I ask just one question on that subject?

Senator HARDWICK. Certainly.

Mr. ADCOCK. Did you ascertain that the sanitary district of Chicago had located or obtained grounds for a sewage-disposal station for Berwyn, Maywood, Riverside, and other towns near there?

Mr. STOTESBURY. If I was informed of that it did not make any impression upon me.

Mr. BENNET. Are these some of the photographs of churches, etc.? [Referring to a number of picture postal-cards joined together.]

Mr. STOTESBURY. They were the surrounding villages out in that general locality. It is a suburban locality. I was going to say all of that land gives the impression of being flat, like all of Chicago.

Senator HARDWICK. I have that point in my mind, General, but what I am referring to is that part of his letter—if I understood it correctly from hearing you read it—which indicated that this was a very undesirable neighborhood.

Mr. STOTESBURY. Well, now, I feel that it was an inaccurate and a little loose statement; it was an inaccurate statement.

Senator HARDWICK. It was not a tough neighborhood, was it?

Mr. STOTESBURY. Oh, no; not at all.

Senator HARDWICK. Was not that what he said in his letter? Look back at that expression and see what he says about the neighborhood. When he said "low and sordid," he did not mean low in the sense—

Mr. STOTESBURY (reading). "It is situated in a low, sordid part of Chicago."

Senator HARDWICK. Well, that meant a tough part; did it not?

Mr. STOTESBURY (reading). "Out on the west side, in a locality that is extremely uninviting to live in."

Senator HARDWICK. Yes. That meant a tough locality, you might say. That is what he was driving at. You did not think so?

Mr. STOTESBURY. No. I should imagine that 15 years ago, before there was anything down there, it would just give the impression of one low, level tract, and you would not see anything in it; but it is now generally built up, and you go out by boulevards, and you pass by, like any city when you get to the outskirts, the same general character of buildings.

Senator HARDWICK. In other words, whatever may have been the situation of the country topographically or from the standpoint of a desirable neighborhood 15 years before, it was not that at the time of this project?

Mr. STOTESBURY. No.

Senator HARDWICK. Are there any other questions?

Mr. BENNET. Are those photographs that I have just laid before you part of your official report?

Mr. STOTESBURY. Yes. They were included as an exhibit there of the condition, merely to show some of the buildings in these surrounding places. The map there will show the distances and relative location of the hospital with reference to these small suburban places, and they are quite substantial, which shows that it is building up in that direction.

Senator HARDWICK. Is that necessary, Mr. Bennet?

Mr. BENNET. I am not going to burden the record with it.

Mr. STOTESBURY. And, if I might say so, my conclusion in regard to the advisability of the Government binding itself to get rid of the property was somewhat influenced by an impression I had formed of that general locality out there. It looked to me like one of the most promising development sections around Chicago. If you will look at the map, you will see that it is really the only open section within that distance of the lake and of the center of the city.

Senator HARDWICK. You thought so well of the neighborhood and of the land that you did not want the Government to obligate itself to let Mr. Hines salvage it?

Mr. STOTESBURY. No; I thought the Government would make more money by holding on to it than by turning it back.

Mr. BENNET. There is one part of your report in which you allude to an offer of Mr. Hines to take portions of this property back at \$1,200 an acre. That has not been brought out. What was that offer?

Mr. STOTESBURY. There had been the suggestion coming in as a part of the evidence somewhere or other that there was too much land, that the Government would not need any 320 acres for a hospital project, and rather a pressing investigation upon that point and upon questions of value which were more or less involved. Mr. Hines stated that if there was any portion of the property that the Government did not think necessary in connection with the hospital, it could be eliminated from the project, and credit taken to the Government at the rate of \$1,200 an acre. Then I asked if that would be made as a formal proposition that I could report, and I put it in that way.

Mr. BENNET. Then, as I understand the proposition, that situation was that Mr. Hines was proposing to sell the Government the land at \$600 an acre, and if they did not require all of it he would buy any portion of it back that they wanted him to buy, and pay them \$1,200 an acre. They stood the chances of making 100 per cent right then and there—is that right?

Mr. STOTESBURY. No; I would not say that. Of course, the question of the valuation of the land was more or less concerned in the project. It had to be presented to the Government to say what they were going to get. There had been a request of three gentlemen of Chicago to estimate the value of the property. The three gentlemen

were Mr. Walter Mills, I think Mr. Wallace Clark, a partner of Mr. Trainer, and another gentleman whose name I do not recall. It appears in the examination of Mr. Mills.

Mr. ADCOCK. Mr. Wallace?

Mr. STOTESBURY. There was a Mr. Wallace, and Mr. Wallace Clark, and Mr. Mills.

Mr. ADCOCK. John F. Wallace, was it not?

Mr. STOTESBURY. Yes. Now, these gentlemen had been asked informally—that is, not as members of the valuation committee of the board of Chicago—and it seemed to be their opinion that Mr. Mills, who had had considerable dealings out in that locality, knew more about it than they did; and they were largely guided by his opinion, and he placed the value on it, without going out to the property, but basing it upon condemnations and transfers out there in the locality, at \$600 an acre. Later on there was a request for a formal valuation from the valuation committee of the board, and that necessitated a personal view of this land, and they concluded that it was worth \$1,100 an acre; but they stood by these other three gentlemen, who were individual members of the committee, by placing the additional value, adding the \$500 by reason of improvements, as they referred to them; that meant underground improvements, the drains and the roads and things of that kind.

Senator HARDWICK. Sewerage, lights, etc.?

Mr. STOTESBURY. No; not anything above ground, but things that properly were fixtures which could not be differentiated from the land; but—

Senator HARDWICK. Which added to the value of the land?

Mr. STOTESBURY. They added \$500, so that their valuation was \$1,100; and from other sources there were different valuations put on it.

Mr. BENNET. But as a matter of fact, in relation to this land, the contract does provide, does it not, that "the Government estimated the value of said land at \$192,000," which is \$600 an acre?

Mr. STOTESBURY. If you will look over there, you will find the other statement; and as a matter of convenience they adopted the same form and put on "improvements."

Mr. BENNET. That goes right on—"and the improvements thereon at a sum not less than \$108,000."

Mr. STOTESBURY. That "improvements" meant the underground improvements, because everything else was to be taken off; so you can differentiate it just as you want, but that was the fact. They put it first at \$600 and then called the other "improvements," but that did not mean above-ground improvements. It meant underground improvements.

Senator HARDWICK. It meant the real value of the land as it stood?

Mr. STOTESBURY. The real value of the land as it stood. The other gentlemen had drifted into that without going out there to see the underground drainage and all that, which had made this land more valuable.

Senator HARDWICK. I see.

Mr. BENNET. So that the sum that Mr. Hines agreed to take it back at was a slight increase over the value of the land as fixed by Mr. Clark and his associates, plus the \$500?

Mr. STOTESBURY. Yes.

Mr. BENNET. And then he added on another hundred?

Mr. STOTESBURY. Yes.

Mr. BENNET. I think you left the impression in my mind, at any rate, that you regarded the surroundings of this place as a collection of villages which, in your judgment, would become increasingly attractive as the years went by?

Mr. STOTESBURY. Yes. I could not make that more clear than I stated there. I thought the location was in every way advantageous and desirable for a hospital, and it was a fact that I regarded that as prosperous in the meaning of hopeful.

Senator HARDWICK. We understand that pretty well. Now, Mr. Adcock, have you any questions relating to your client's connection with this matter?

Mr. ADCOCK. Thank you; I just want to ask a few questions.

Do you know who Mr. John F. Wallace was, who made the valuation?

Mr. STOTESBURY. Except as it appears in Mr. Mills' testimony. I did not examine Mr. Wallace.

Mr. ADCOCK. He was chairman of the valuation committee of the real estate board, you remember; was he not?

Mr. STOTESBURY. I would have to refresh myself in reference to that. Mr. Mills had been chairman of that committee. I believe that Wallace—

Mr. ADCOCK. Do you understand that Mr. Clark was asked to make a valuation of this property?

Mr. STOTESBURY. That is as I recall Mr. Mills' statement.

Mr. ADCOCK. Just to refresh your recollection, is it not a fact that a request had been made by the War Department of the real estate board to make a valuation some time before this, and the valuation had not come forward; there had been some delay, or something like that—when I say "real estate board," I mean the real estate board of Chicago—and that Mr. Hodge, who is in the real estate section, or was then, was anxious to get the valuation, and telephoned Mr. Clark to hurry the matter along, or wired him and asked him to get some sort of a valuation from some competent real estate man and get it down there; and did not Mr. Clark then call up Mr. Wallace and Mr. Mills and secure their valuation; and did not Mr. Mills wire to Mr. Hodge the valuation, and sign the telegram by Mr. Wallace and Mr. Mills; and is it not a fact that Mr. Clark did not take any part in that valuation?

Mr. STOTESBURY. No. My informant in regard to the matter is that Mr. Hodge wired three gentlemen—Mr. Mills, Mr. Wallace, and Mr. Wallace Clark—for an appraisal of this property. Whatever his idea was in regard to having them act independently, I do not know. The fact is, he did telegraph to them, and there seemed to be some difficulty in getting them together. Each one of these gentlemen knew that the other had been requested, and they were waiting to get together on it, and the consequence was that Hodge was not getting his appraisal. Then, he did telephone them on there to hurry the matter along.

Mr. ADCOCK. Have you the telegrams that passed between those gentlemen?

Mr. STOTESBURY. No. Mr. Mills said:

I had a telegram from Mr. Samuel Hodge, from Washington, Department of Purchases, War Department, in August, requesting me to appraise the Speedway Park property, disregarding all improvements, for the War Department. I found that Mr. John F. Wallace, chairman of the valuation committee of the Chicago real estate board, and Mr. Wallace Clark, a member of the real estate firm of Clark & Tralner, also had similar telegrams, and we three cooperated to make a valuation of this land, the other two gentlemen being guided largely by my opinions because of the fact that I had so recently made such a thorough investigation of values of property in this vicinity.

Did you send a joint telegram in answer to Mr. Hodge?

We did.

Was that counted as the action of the valuation committee of the real estate board?

No; it was our individual opinions.

And what was the conclusion agreed upon by the three gentlemen—Mr. Wallace, Mr. Clark, and yourself?

We placed a value upon 313 acres of \$600 an acre, disregarding the improvements, and in the west half of the section, excluding the 7 acres embraced in the Illinois Central right of way.

Then he states the consideration which led to the conclusion.

Mr. ADCOCK. Do you know whether they disregarded not only the buildings but also the sewers?

Mr. STOTESBURY. They did. I think that what the intention of Mr. Hodge may have been was to disregard the improvements, using the usual acceptance of the term, the buildings; but Mr. Mills interpreted that, at any rate, later on, when the real estate committee acting as a committee arrived at a little different conclusion, as excluding the underground improvements as well—that is, the sewers, the roads, the actual conditions that existed there.

Mr. ADCOCK. Did you, in your investigation, take into consideration the report that was made by Mr. John Tigchon, of the real estate section, under Maj. Holden, who, some time in September, at the request of his chief, went out to Chicago—I think the early part of September—and made another valuation, and secured the service of Mr. Richards, a real estate man in Chicago, Mr. Poronto, and Mr. Janney?

Mr. STOTESBURY. No.

Mr. ADCOCK. You did not take into consideration their investigation?

Mr. STOTESBURY. No.

Mr. ADCOCK. And you did not know that they made an investigation, and that Mr. Tigchon in his investigation sought a valuation without expressly excluding the water mains and sewers and other things of the kind?

Mr. STOTESBURY. No; I did not. I did not know that. That is to say, I did not know whether Mr. Mills had correctly interpreted the request or not; but, at any rate, he was very clear in the statement that the \$600 was without any improvements.

Mr. ADCOCK. I was just running over this.

Mr. STOTESBURY. Yes.

Mr. ADCOCK. Whether from the War Department you knew that when the War Department sent a man from here out to Chicago to have another valuation made, he took the valuation under the direction of this Mr. Tigchon excluding those improvements.

Mr. STOTESBURY. No, I did not know that.

Mr. ADCOCK. You did not know that the valuation obtained by Mr. Tigchon was \$600 an acre?

Mr. STOTESBURY. No.

Mr. ADCOCK. In the course of your investigation of this entire matter, did you consult or talk with Maj. Holden, who was Mr. Trainer's chief, and who generally had charge of the valuation of property and of the securing of property for the Government?

Mr. STOTESBURY. No, I did not.

Mr. ADCOCK. You did not know that Mr. Holden was Mr. Trainer's chief?

Mr. STOTESBURY. It did not impress me.

Mr. ADCOCK. And you did not secure Mr. Trainer's statement in that investigation?

Mr. STOTESBURY. No; Mr. Trainer was not at the time available. I tried to get him. But his partner was available, and, I took Mr. Clark's statement, and I know that either Mr. Trainer had gone up to Milwaukee or something or other.

Mr. ADCOCK. That was at the time you were——

Mr. STOTESBURY. In Chicago.

Mr. ADCOCK. Yes, in Chicago. Did you ever talk with Mr. Trainer later, when he was in Washington?

Mr. STOTESBURY. Yes; but not before my report had gone in.

Mr. ADCOCK. What was the conversation then?

Mr. STOTESBURY. I was then on duty in the General Staff, and I was sent for from the Inspector General's office. I was told that some gentleman concerned in the speedway wished to have an interview with me, and I went up there, and eventually had the conversation with Mr. Trainer, and Mr. Trainer referred to the fact that there had been publications in a Chicago paper reflecting upon his character, and that he had talked with Mr. Hare, of Secretary Crowell's office, in regard to it.

Mr. BENNET. Is that C. W. Hare?

Mr. STOTESBURY. Yes, Mr. Trainer had talked with Mr. Hare of Secretary Crowell's office in regard to it, and was very much distressed that these reports had appeared in print, which he had no opportunity to answer, and he thought it was a great injustice, and he had been talking with Mr. Hare for the purpose of securing a letter from the Secretary of War which could be published out there as an answer to the innuendos of that publication; and he had been referred, there, to me, as Mr. Hare seemed uninformed on the situation, and had the impression, as Mr. Trainer seemed to have, that the result of my investigation would possibly justify the letter which he had asked for. I explained to Mr. Trainer that my investigation would not warrant that letter; that while the investigation had been somewhat *ex parte* so far as I was concerned, that my action had recommended a further investigation, as he was outside of the War Department, outside of the military establishment, and that I had recommended further investigation. Whether I told Mr. Trainer that I had turned it over, or recommended that it be turned over to the Department of Justice or not, I do not know. At any rate, he said, "I wish you would see Mr. Hare." I said, "Well, I will if he sends for me. I do not feel like volunteering anything about it."



Mr. ADCOCK. Did he offer to make any statement to you?

Mr. STOTESBURY. Oh, he wanted to make a statement, and felt rather—well, he thought that in view of these things he wanted to be examined in the matter, and then he rather fully stated his side of the controversy in his answer to it, and in that statement made certain references to Mr. Hines, and the general prejudice existing out in Chicago, and his knowledge of those things—the knowledge he claimed in regard to it—and answered, in his way, the charge, or put his view on the matter.

Mr. ADCOCK. You make the statement in your conclusion there that at the time these conversations were had Mr. Trainer was not then in the Government service.

Mr. STOTESBURY. Had not sworn him in the service. He had not taken the oath. He had been doing work for the Government for some time, but had not taken the oath. I forget the form of the statement, but it is stated there that he had not been sworn in.

Mr. ADCOCK. Yes. Now, did you ascertain when he did enter the Government service, when he came to Washington and took up his duties?

Mr. STOTESBURY. I am not certain about that.

Mr. ADCOCK. I am referring to the statements of Mr. Newman and Mr. Hines and Mr. Shank and Foster, and others. These conversations with reference to commissions happened in July or August. Did you ascertain whether Mr. Trainer was in Chicago at that time?

Mr. STOTESBURY. No; I referred that part of it, as I say, for I did not see that it had any effect or bearing upon this hospital situation. If it was a matter which was regarded as one which warranted investigation, that the whole matter would be gone into, and if was not, if it had no effect, it would be so disposed of.

Mr. ADCOCK. Do you think it would be material to ascertain whether Mr. Trainer had then entered upon his duties when these conversations were had?

Mr. STOTESBURY. It might be, relative to certain proposed action that might be contemplated in the Department of Justice. If it was the sort of thing which happened in the service, that might be construed as one thing. If before he went into the service, it might be looked upon as an impropriety, or as rather unethical, or something of that sort. It would have a very material bearing.

Mr. ADCOCK. So that it was very important as to just when the conversation occurred, as to the exact date when Mr. Trainer went into the service?

Mr. STOTESBURY. It certainly would be, if that was the subject of investigation—the determination of what should be done and what criticism should be made of that—it would be very material.

Mr. ADCOCK. Would it be wrong for a man, before he went into the service, to ask for compensation for services that he had rendered prior to the time he went into the service?

Mr. STOTESBURY. No.

Mr. ADCOCK. You are a lawyer, and if you performed services before you went into the Government service, you would expect to be paid, would you not?

Mr. STOTESBURY. Yes. I took that matter up in connection with the examination of Mr. Clark, and Mr. Clark said this property had

been on the books; that he had been retained as agent in connection with the property.

Senator HARDWICK. When? Prior to the making of the Government contract?

Mr. STOTESBURY. Yes.

Senator HARDWICK. Mr. Clark claimed that, you say?

Mr. STOTESBURY. Yes.

Senator HARDWICK. That prior to the time of the Government contract—

Mr. STOTESBURY. Prior to that time they had then formally retained and had this property on their books.

Senator HARDWICK. To sell it, you mean, for Mr. Hines?

Mr. STOTESBURY. Yes.

Senator HARDWICK. All right. That is rather important. Did you refer to that part of his statement formerly?

Mr. STOTESBURY. Not to that part of my statement.

Senator HARDWICK. I mean, to Mr. Clark's statement; to his statement about that.

Mr. STOTESBURY. No. I just want to read that.

Senator HARDWICK. Yes, do so. (After examining papers.) The testimony in that respect is here. It is page 5 of the record of the examination of Mr. Wallace Clark, which is Exhibit 7. (Reading):

Q. When did you first learn of the consideration of the Speedway tract for hospital purposes?

A. I think it was away last winter, or the early part of the winter, I heard of the Speedway for hospital purposes.

Question. Did you ever have this property on your books for sale prior to its consideration for Government purposes?

Answer. Oh, yes; we have had the property for sale.

Question. Was it received formally?

Answer. We were retained as agents in connection with this sale. We had this property for sale here, before Mr. Trainer went into the Government service.

Question. And were you aware of Mr. Hines's interest in the property?

Answer. It was after he had acquired the interest, yes. For several years we have been trying to work out a sale of this property.

Senator HARDWICK. That is the only reference to that?

Mr. STOTESBURY. That is the only reference to that.

Senator HARDWICK. That was Mr. Clark's claim, that for several years prior to the consideration of this property for the location of a hospital property, he had had this property on his books for sale, anyhow?

Mr. STOTESBURY. Yes.

Senator HARDWICK. For the owners?

Mr. STOTESBURY. Yes.

Senator HARDWICK. All right. I understand that, now. I beg your pardon for interrupting you.

Mr. ADCOCK. Have you finished, Mr. Stotesbury?

Mr. STOTESBURY. That is the answer to that question.

Senator HARDWICK. I just wanted to be informed about it.

Mr. ADCOCK. Do you remember what time Mr. Newman and Mr. Poppenhagen and Mr. Shank and Mr. Hines placed the conversation with reference to commissions you talked about?

Mr. STOTESBURY. I do not recall it.

Mr. ADCOCK. The date is in the record. The date, they all say, is the latter part of July or the first of August.

Mr. STOTESBURY. That is my impression; but I would have to refresh my recollection about that by looking it up.

Mr. ADCOCK. That is your best impression, is it? The testimony is right there, if you want to look at it.

Mr. STOTESBURY. I would have to look it up. If you want me to look it up, I will. If you have the other part of that, it would probably show—

Senator HARDWICK. What was the question; on that date, now!

Mr. ADCOCK. Yes; it is my recollection from the examination—

Mr. STOTESBURY. I was asked whether my best recollection was that it was the latter part of July or the first of August. That is my impression, that that was the testimony upon the subject.

Mr. ADCOCK. As I understand, you did not examine Mr. Poppenhusen?

Mr. STOTESBURY. No.

Mr. ADCOCK. How did you obtain his affidavit?

Mr. STOTESBURY. He was out of the city, and I prepared a statement, a memorandum of questions, which Mr. Newman said he would communicate with him over the telephone, and get his affidavit, and finally he sent down an affidavit which was sworn to, and I attached it, merely as an exhibit.

Mr. ADCOCK. Mr. Newman knew that you were trying to find out all about this thing, did he not?

Mr. STOTESBURY. I should imagine so. I examined him for pretty much of a day or two.

Mr. ADCOCK. If he had had named all the persons that were at a certain conference with reference to the commission, you would have examined all those men, would you not?

Mr. STOTESBURY. No; I would not. As I have told you, that had nothing to do with the main question that I was out there to investigate, which was—

Mr. ADCOCK. If one of the persons whom he omitted to name, and who was here the other day, was present—was in the Government service—easily available here at Washington, you probably would have examined him.

Mr. STOTESBURY. Surely.

Mr. ADCOCK. You had quite a long talk with Mr. George M. Reynolds, did you not?

Mr. STOTESBURY. I had an interview with him.

Mr. ADCOCK. It lasted some time?

Mr. STOTESBURY. I was with him 20 minutes or half an hour.

Mr. ADCOCK. Will you read from the record your statement of the interview with him, because I want to examine you? Read it just for the purpose of refreshing our recollection. Read it out loud.

Mr. STOTESBURY. Yes. Mr. Reynolds was one of the witnesses who, as I explained, I interviewed. I did not swear him and I did not have a stenographer with me. I had the interview with him and made a memorandum.

Mr. ADCOCK. You made a memorandum?

Mr. STOTESBURY. I went out and made a memorandum.

Mr. ADCOCK. You did not ask or suggest in your report that the memorandum of your conversation with him should go to the Department of Justice, did you?

Mr. STOTESBURY. No, I think not. I notice when I read it over that that is not included.

Mr. ADCOCK. I noticed also that you omitted to suggest that the testimony of Mr. Lewis Pitcher, whose testimony was taken by you, should go to the Department of Justice.

Mr. STOTESBURY. The whole thing went to them; everything went, I know.

Mr. ADCOCK. But is it not true that only those that had photostat copies made went to the Department of Justice?

Mr. STOTESBURY. No; they have it complete.

Mr. ADCOCK. The originals?

Mr. STOTESBURY. They had the complete record. Everything went to them.

The CHAIRMAN. The whole file?

Mr. STOTESBURY. Yes; everything was turned over.

Mr. ADCOCK. I notice some of them, you have photostat copies of a part of the testimony.

Mr. STOTESBURY. I do not know when they were made.

Mr. ADCOCK. Part of the testimony has photostat copies made of it.

Senator HARDWICK. You did not control that?

Mr. STOTESBURY. No, I had nothing to do with that. That is to say, there were three, one original and two copies, and my impression as to the system is that the original and one copy go to the Secretary's office and one copy is retained. I know that later the Department of Justice man came in and got another report—the one that was there in the office—and got the whole thing; so that it did not refer more to other things bearing on it, only enough to give a line on the character of the charges, and the rest of the investigation was a matter for that department, if they thought it worth while.

Mr. ADCOCK. If you believed there was not any basis for the charges, you would not suggest that, then, would you?

Mr. STOTESBURY. Yes; it was not determined because it had been mentioned.

Mr. ADCOCK. The mere fact that that matter was mentioned would cause you to refer the matter to the Department of Justice?

Mr. STOTESBURY. If it was of a character in which a prima facie or a probable case had been made out, without determining the merits of it at all. That would be absolutely unfair, because it was merely as a case would be presented by prosecuting witnesses—complaining witnesses—on a prima facie case. An investigation of that question to determine the guilt or innocence of the party concerned would have been a very different character of investigation, upon that point.

Mr. ADCOCK. Now let me ask you, when you interviewed Mr. Reynolds you did so in connection with your duties in this Government investigation, did you not, that you were carrying on.

Mr. STOTESBURY. Yes.

Mr. ADCOCK. Who is George M. Reynolds?

Mr. STOTESBURY. President of the Continental & Commercial National Bank.

Mr. ADCOCK. President of the Continental & Commercial National Bank of Chicago?

Mr. STOTESBURY. Yes.

Mr. ADCOCK. One of the largest banks in the United States?

Mr. STOTESBURY. I understand it to be the second largest bank in the United States.

Mr. ADCOCK. Will you read, then, so that I may ask some more questions in regard to that, that interview?

Mr. STOTESBURY. This is a memorandum of an interview with Mr. George M. Reynolds, president of the Continental & Commercial National Bank, November 6, 1918. (Reading):

It had appeared in the statement of Mr. Hines that he had received information that Mr. Trainer had suggested that if his firm, Trainer & Clark, were retained as agents in the matter and paid a commission of \$100,000, the matter might go through, and in suggesting the arrangement by which the payment was to be secured, Mr. Reynolds's name was mentioned, and in that connection Mr. Trainer was reported to have said, if satisfactory assurances were given to Mr. Reynolds, that a commission of \$100,000 would be paid, that the matter could go through. In view of this statement, a personal interview was had with Mr. Reynolds at the Continental & Commercial National Bank in Chicago on the afternoon of November 6, by appointment, at 4 o'clock. Mr. Reynolds stated that Mr. Hines had come to see him and stated to him in substance, that Mr. Trainer had intimated that if the sum of \$100,000 was paid to the firm of Clark & Trainer, as commission, the Speedway project might receive favorable consideration; that Mr. Hines had told him that Mr. Trainer had suggested that the arrangements be made with him. Mr. Reynolds said that he told Mr. Hines that he was amazed at the suggestion, that he had known Mr. Trainer for years, and had never heard of the slightest question of his integrity and that he had frequently been referred to by Mr. Trainer, and had no hesitation in giving him unqualified indorsement as to his honesty and integrity; that in view of the conversation with Mr. Hines he had sent for Mr. Trainer and Mr. Clark; that they both stated that no such suggestion had been made to Mr. Hines or to Mr. Shank or to Mr. Newman or to anyone else; that they had been especially careful not even to have anything to do with the proposal in regard to the property, on account of their knowledge of Mr. Hines, in what they believed would be his tendency to complain in case the negotiation did not go through. Mr. Reynolds stated that Mr. Hines's conversation with him carried no conviction; that after his talk with Mr. Trainer and Mr. Clark he was absolutely satisfied that no improper suggestion had been made or contemplated, and suggested that I see Mr. Clark and Mr. Trainer personally about the matter myself. Mr. Trainer had left for Washington and Mr. Reynolds promised to arrange to have Mr. Clark, his partner, see me. Mr. Reynolds, when interrogated further, stated that Mr. Hines had many enemies in Chicago, many of whom regarded him as somewhat unscrupulous, and while he was a director of the bank, pressure had been brought on him from many sources to eliminate him, and he had been criticized for keeping him there. He told me Mr. Hines had been expelled from the Union League Club. When pressed further for his own estimate of the situation, Mr. Reynolds stated that in view of a communication which he received some time after the original talk with Mr. Hines, in which reference was made to the fact that Mr. Trainer was about to make a report on the Field Museum project, with the intimation at least, that as Mr. Reynolds understood it, that he should endeavor to have Mr. Trainer hold up his report on the museum project until after the other matter was decided. That he had gained the impression that the purpose of Mr. Hines' original visit was rather to obtain his help in securing Mr. Trainer's favorable action on the Speedway project, than to seriously present the effort of Mr. Trainer at an attempted hold up. Mr. Reynolds further stated that while there was nothing definite against Mr. Hines' business integrity, that he had made his money in a very short time and the general impression was, by his ability to take advantage of financial distress of other companies and to take their properties on a basis that permitted him to make large profits. That his connection with the Lorrimer investigation and the fight made upon him by the Chicago Tribune, had created impressions that still existed to the prejudice of Mr. Hines. That he did feel that Mr. Hines might very likely desire at this time to do something big and generous to rehabilitate himself in reputation with the public; that he rather looked upon the purchase of the \$1,000,000 worth of

Liberty bonds on the last day as something of that character and he thought the present Speedway project, if it did involve generous contribution to the Government, of which he hadn't been informed, might well be accounted for on that theory.

Mr. ADCOCK. Did Mr. Reynolds, during this interview, state anything with reference to the business relations that he had had with Clark & Trainer, and Mr. Trainer and Mr. Clark individually, in their real estate business?

Mr. STOTESBURY. Yes; he said he had known Mr. Trainer from a young man and that Mr. Trainer had acquired all the property upon which their present large banking structure had been built.

Mr. ADCOCK. And in the interview with Mr. Heckman, which you have there, you found from Mr. Heckman that this same firm had represented the University of Chicago in relation to some large property?

Mr. STOTESBURY. That is my recollection.

Mr. ADCOCK. In what sort of terms did Mr. Reynolds speak of these gentlemen, as to their integrity and honesty?

Mr. STOTESBURY. Oh, without qualification in any respect.

Mr. ADCOCK. In this memorandum there is reference to an interview between Mr. Hines, or a conversation between Mr. Hines, and Mr. Reynolds. Do you remember whether Mr. Reynolds stated at that interview whether Mr. Clark's name was used by Mr. Hines demanding information? I do not know whether I have made my question clear.

Mr. STOTESBURY. I understand the question, all right.

Mr. ADCOCK. Very well.

Mr. STOTESBURY. As I recollect it, that was precisely the way Mr. Reynolds referred to it; that Mr. Hines had told him that Mr. Trainer or his firm, and subsequently Mr. Clark—that is my impression. I have not a recollection of any variance in the form of statement that I read before.

Mr. ADCOCK. Did Mr. Reynolds mention any other than the one interview with reference to this Speedway project, with Mr. Hines?

Mr. STOTESBURY. Not with Mr. Hines.

Mr. ADCOCK. He mentioned an interview with Mr. Poppenhusen, did he not?

Mr. STOTESBURY. He did not define that. That was merely at the close.

Mr. ADCOCK. Just to recall it, perhaps I can refresh your recollection.

Mr. STOTESBURY. Yes; in which Mr. Reynolds, leaving his seat and coming out, said, "Now, I want to tell you, and this is merely an impression,"—

Mr. ADCOCK. That is, your impression, you mean?

Mr. STOTESBURY. No; I am using Mr. Reynolds's language. He told it in this way. He said, "Now, Major Stotesbury, I want to tell you this for what it is worth. It is not evidence; it is just my impression. In view of a conversation that I subsequently had with Mr. Poppenhusen, Newman's partner, from which, at any rate, I gained the impression that they wanted me to see Trainer, and I could not get any other purpose out of it than that they wanted to hold up a report or talk to him—my impression is, of

the whole matter, that they rather wished me to intervene in the interest of the project, than to inform me of this attempted hold-up." Perhaps my immediate recollection of it is better stated here than I could repeat it. What I mean, he did not at that time go into further particulars or details of the conversation with Mr. Poppenhusen, and as he referred to it merely as an impression he had, I did not go into that further.

Mr. ADCOCK. At any rate, he saw Mr. Poppenhusen, did he not?

Mr. STOTESBURY. Yes.

Mr. ADCOCK. And do you remember whether he stated it was just shortly before the lease of the Field Museum was finally closed, about the 21st of October?

Mr. STOTESBURY. No particularity in that.

Mr. ADCOCK. He did not say that Mr. Poppenhusen came from Washington at Mr. Hines's solicitation, especially to see Mr. Reynolds about this matter?

Mr. STOTESBURY. No, sir.

Mr. ADCOCK. Did you have any further recollection about what that memorandum states as to the conversation, as to Mr. Reynolds's statement of this conversation between Mr. Hines and himself with reference to the Speedway project, as to whether there was any indication that if Mr. Trainer would take an interest in this matter Mr. Hines would make it worth while to him, or something like that?

Mr. STOTESBURY. Positively not. No; his statement of the conversation with Mr. Hines was in harmony with the statement previously made in the examination of Mr. Newman and these gentlemen. There was no conflict as to that. The statement was the same. But then he volunteered the impression that it made on him. There was no difference as to the statement as communicated to him by Mr. Hines. He only volunteered, and he was specific in telling me, "Now, I just tell you this for what it is worth. That is my impression." And he said, "That is due, perhaps, to those lingering prejudices that I referred to; and furthermore, my knowledge of and confidence in Trainer, and the fact of a subsequent interview that I had with Mr. Poppenhusen."

Mr. ADCOCK. You knew at that time—that is, at the time this conversation took place with Mr. Hines and Mr. Poppenhusen on this commission—Mr. Trainer was at Chicago in the performance of his duties, did you not?

(The question was read by the stenographer.)

Mr. ADCOCK. Mr. Reynolds, Mr. Hines, and Mr. Poppenhusen?

Mr. STOTESBURY. Now, what is your question?

Mr. ADCOCK. I will ask it again. You know that at the time the conversations took place between Mr. Reynolds and Mr. Hines, the one conversation, and then the other conversation between Mr. Reynolds and Mr. Poppenhusen, that this commission with reference to hospitals, on which Mr. Trainer was, was at Chicago in the performance of their duties?

Mr. STOTESBURY. No; I did not know that.

Mr. ADCOCK. You did not know that. Did you know what the jurisdiction of this commission was that I speak of that Mr. Trainer was on, consisting of General Noble, Mr. Trainer, and Colonel Smith?

Mr. STOTESBURY. I did not know the extent of their jurisdiction.

Mr. ADCOCK. Did you know they had any authority to do more than acquire existing buildings for hospital purposes, and have them occupied, and so on, to suit.

Mr. STOTESBURY. No; I had no knowledge of that, at all.

Mr. ADCOCK. You did not examine into that question in the course of your work here on making this report?

Mr. STOTESBURY. No.

Mr. ADCOCK. Did you, in the course of your investigations, ascertain anything that Mr. Trainer or Mr. Clark did to interfere in any manner with the Speedway hospital project going through and being taken up by the Government?

Mr. STOTESBURY. Nothing that is included in the report; nothing in the way of direct action. There was undoubtedly an atmosphere of opposition existing in certain divisions of the War Department against this project.

Senator BECKHAM. What division of the War Department?

Mr. STOTESBURY. In Secretary Crowell's office; Mr. Hare.

Senator BECKHAM. Did you have a talk with Mr. Hare?

Mr. STOTESBURY. Yes.

Senator HARDWICK. Was he acquainted with Mr. Trainer?

Mr. STOTESBURY. Yes.

Mr. ADCOCK. I did not hear that?

Senator HARDWICK. I asked if Mr. Hare was acquainted with Mr. Trainer.

Did you have any conversation with Mr. Hare?

Mr. STOTESBURY. Yes; and the statements made to me by Mr. Hare.

Mr. ADCOCK. With reference to any opposition of Mr. Trainer?

Mr. STOTESBURY. Involving the statement of facts and impressions and conditions and prejudices, which, if he did not state that Mr. Trainer had informed him of them, were at least expressed to me in language so similar to that used by Mr. Trainer in his talk with me that it might lead to the impression created that did contribute in a measure to the existing prejudices.

Mr. ADCOCK. You do not think that this prejudice you speak of was engendered entirely by Mr. Trainer, do you, from your investigations?

Mr. STOTESBURY. Not entirely; but there had been the statement of these conditions and prejudices which existed in Chicago, and they went beyond that to the repetition of charges that had been made and not proven.

Mr. ADCOCK. Can you refer to any one thing that Mr. Hare said that Mr. Trainer had said?

Mr. STOTESBURY. That Mr. Trainer had said to him?

Mr. ADCOCK. Yes.

Mr. STOTESBURY. This is from recollection, you understand.

Mr. ADCOCK. Yes.

Mr. STOTESBURY. It took place after the report, and I give it to you as a recollection. Now, it was either Mr. Trainer or Mr. Hare who said to me that Erskine had an option on this Speedway property. Mr. Hare repeated to me the things that Mr. Hines had been charged with at some time along when the Lorimer investigation took place, as facts, and so did Mr. Trainer. There was nothing as



a matter of record, but there were gentlemen there in a close, advisory capacity. Take Col. Hornsby, a man who could write personal letters of impressions. They were there to advise, and they had a knowledge of conditions. However, it might have been warranted; no doubt they could have said, "If it takes this over it is going to raise a rumpus in Chicago." Now, with a department charged with the responsibility of placing those contracts, that kind of a statement of a man occupying the confidential relation of Mr. Trainer or Col. Hornsby would carry more weight than an official report.

Senator HARDWICK. They were both there.

Mr. STOTESBURY. They were both living there and knew the conditions.

Senator BECKMAN. Did Mr. Hare in this talk mention Mr. Trainer's name?

Mr. STOTESBURY. Oh, yes. He wanted me to state to the Secretary facts which would justify the writing of a letter to exonerate Trainer and I said, "Why, Mr. Hare, there is nothing in my investigation which would warrant that. I recommended that the matter be turned over to the Department of Justice for investigation. I do not know whether they have done it or not, but the evidence so far as I went into it made a prima facie case which would warrant investigation." So he said, "Surely;" and right there in my presence, he prepared a memorandum to be sent in to the secretary that these matters of the charges against Trainer had been referred or recommended to be referred, to the Department of Justice, and he was entitled to that and it ought to be done at once. He dictated that memorandum right there in my presence. The whole talk was to secure fair treatment for Mr. Trainer and to protect him against these charges that had been made out there. And then Mr. Hare further referred to the matter in which the transaction had come to the office.

Senator HARDWICK. What do you mean by that?

Mr. STOTESBURY. Well, in a manner that showed the existence on his part of a prejudice and opposition which he justified or attempted to justify in his talk with me by the statement with reference to this man Bert Erskine, who boasted of his relationship to the President. He came in here to put this over and said that he would put this over.

Senator HARDWICK. Let me see if I get that clearly in my mind. Mr. Hare, who was an official in Mr. Crowell's office, said that Erskine boasted of his relationship to the President and said that he could succeed in inducing Secretary Baker to direct that this project be taken up?

Mr. STOTESBURY. Yes.

Senator HARDWICK. By the Surgeon General's office and by the other offices of the War Department?

Mr. STOTESBURY. Yes. The project had been begun at the wrong end.

Senator HARDWICK. Yes.

Mr. STOTESBURY. So far as the consideration of that office was concerned.

Senator HARDWICK. It did not start at the bottom? It started from the top?

Mr. STOTESBURY. It started from the top.

Senator BECKMAN. Did he say anything to you about Mr. Trainer or Col. Hornsby or anyone else speaking to him in disparagement of this Speedway proposition?

Mr. STOTESBURY. No; he did not. He did not mention Mr. Hornsby's name at all, but he did mention Mr. Trainer's name continually and then he would make allegations without saying that they had originated from Mr. Trainer, but Mr. Trainer in his interview with me said the same things.

Senator BECKHAM. In practically the same language?

Mr. STOTESBURY. In substantially the same language, involving these old charges against Mr. Hines.

Senator HARDWICK. I see. Now, going back for just a minute: You said he said that Bert Erskine—is that Mr. Erskine's name?

Mr. STOTESBURY. Mr. Albert Erskine.

Senator HARDWICK. Bert Erskine had been boasting of what?

Mr. STOTESBURY. Trying to put over this business; boasting here of his relationship with the President.

Senator HARDWICK. Yes; and he seemed to resent that?

Mr. STOTESBURY. He not only resented that, but you will find it put in a report of Mr. Hare's here that it seems very curious that a matter presented on its merits should have so many—

Senator HARDWICK. Advocates?

Mr. STOTESBURY. Advocates; that is was overadvocated.

Senator HARDWICK. He thought that it was overscored.

Mr. ADCOCK. What did you find with reference to Mr. Erskine's relation to this matter?

Mr. STOTESBURY. As read in my report.

Mr. ADCOCK. In other words, he had taken it up as more or less of a philanthropist, and because he happened to be interested in hospitals, or something like that?

Mr. STOTESBURY. That Mr. Erskine had been interested to make a considerable study of the matter of reconstruction hospitals in general, and that when the matter of the construction of hospitals in Chicago was under consideration he was told about this proposition, the Cub Park proposition; and when it appeared that the Speedway Park project, that the Speedway Park property, was considered in connection with the project, and when he learned that Mr. Hines was the owner of twelve-thirteenths of it, and Mr. Hines had lost his oldest son in the service after being in the hospital in France, and he being a man not only with the money but the property to carry out the project, he went into the project, call it what you please, as a philanthropist if you will, or for self-aggrandizement or for the glory of putting something over; and I think in the statement it appears that Mr. Erskine thought it would demonstrate pretty good ability on his part if he was able to put this through.

Mr. ADCOCK. And helped Mr. Hines in such a project?

Mr. STOTESBURY (continuing). And he could say to the Government and to his relatives down here, and perhaps to the President, that he got this fireproof hospital at a million and a half less than they could have built it for, and he has given them the real thing, because out there there was an interest big enough to go ahead and on this 320 acres establish schools and gardens, and do the kind of reconstruction work that they had been interested in in particular.

It was not merely a general hospital, but it was to be a reconstruction proposition.

Senator BECKHAM. I want to understand your testimony in this respect. I understand that you say that Mr. Hare in his conversation with you did not relate anything that was stated to him by Mr. Trainer in reference to this hospital proposition. Did you get the impression from your conversation with him that Mr. Trainer had discussed it with him and put it in an unfavorable light?

Mr. STOTESBURY. You are correct in your recollection of that. Mr. Hare did not, from my recollection, make any specific statement and then say, "I was told by Mr. Trainer," or "I got this from Mr. Trainer." He did, however, make the statements—allegations, as facts—and having previously talked with Mr. Trainer, and noting the similarity and at the same time noting Mr. Hare's manner in his presentation, I did gain the impression that it had come from that source; but I could not say on any evidence that he got the information from Trainer. They might have both gotten it from the same source, for all I know.

Senator BECKHAM. One other question: Did you get the impression from your talk with him that anyone else had discussed this hospital proposition with him and disparaged it?

Mr. STOTESBURY. I do not know. Senator, that I gave particular consideration to that, whether his information had all come from that source. I assumed that he was not relying upon information received alone from Mr. Trainer, because Mr. Hare had himself conducted an investigation. He had examined Mr. Newman. He had examined Mr. Hines and some others. He had made a report, which is here, upon the project.

Senator BECKHAM. I believe you started to state, a little while ago, how you happened to see Mr. Hare, when you were interrupted.

Mr. STOTESBURY. The point was that after the talk with Mr. Trainer—

Mr. ADCOCK. This was along in December, sometime?

Mr. STOTESBURY. Yes.

Mr. ADCOCK. After all this—

Mr. STOTESBURY. Yes; after I had talked with Mr. Trainer and he had expressed his desire for a letter, he said that Mr. Hare wanted to see me, and I said, "If Mr. Hare sends for me I will go over"; and he said, "I will have him send for you"; and when I went back Mr. Hare did ask me to come over and talk with him.

Mr. ADCOCK. This was after the charge appeared in the newspapers?

Mr. STOTESBURY. I do not know; I did not see the newspaper charge. This was after Mr. Hare had come to me and said, "Here they are"; and he had a lot of clippings. Mr. Hare called me after that, on the telephone, when I was at the War College, and said, "Why did you not examine Mr. Trainer? How could you conduct an investigation without examining Mr. Trainer?" I said, "It did not involve anyone in the military service, so that I recommended that that be turned over to the Department of Justice, which is the proper place to investigate those charges." So that that ended my interviews with him.

(Thereupon, at 1 o'clock p. m., the subcommittee took a recess until 2 o'clock p. m.)

## AFTERNOON SESSION.

(The subcommittee met at 2.20 o'clock p. m., pursuant to the taking of the recess.)

Senator HARDWICK. Now, gentlemen, we have a quorum present, and the committee will be in order. Mr. Adcock, I believe you were questioning Maj. Stotesbury when we recessed.

## TESTIMONY OF MR. LOUIS W. STOTESBURY—Resumed.

Mr. ADCOCK. I do not know, Maj. Stotesbury, whether you had finished with the question.

Mr. STOTESBURY. So far as I recollect, I think I had.

Mr. ADCOCK. Now, this conversation that you had with Mr. Trainer occurred about the 16th of December, did it not? Anyway, a long time after you had made that report?

Mr. STOTESBURY. Oh, yes.

Mr. ADCOCK. In your conversation with Hare, you have stated what was your impression that you had. Now, would you mind telling us exactly what Mr. Hare said on this subject of the Speedway project and what you said?

Mr. STOTESBURY. Mr. Hare said that he had asked me to come over at the suggestion of Mr. Trainer. He wanted to give Mr. Trainer, or procure for Mr. Trainer, a letter which could be published as a complete answer to the innuendos or direct charges that had appeared in some paper, and that in view of my investigation, the Secretary could not do it; that he would not do it, or was not able to do it without such information as I could give them with reference to my report. It appeared that that office or he personally had not seen the report.

Mr. ADCOCK. He said that, did he?

Mr. STOTESBURY. Yes, he said he did not know anything about it. I told him that I thought that the matter should be subject to an investigation, and I do not know whether the recommendation had been acted upon or not, but it was the Department of Justice that should give him the information which would warrant that letter, and not my office, because I regarded that as outside of the specific subject which I had under consideration, and said there was nothing in my report which would warrant that letter.

Senator HARDWICK. Just one thing. Conclusions from the evidence are not as important as they might be before juries, so do not go into that.

Mr. ADCOCK. Did you have any talk with Mr. Hare prior to the time you made your report?

Mr. STOTESBURY. No, I did not talk with Mr. Hare before my report went in. I had as part of my record sent to me with the original reference, Mr. Hare's report to Secretary Crowell, and also the record of his examination of certain witnesses. I recall a further statement that Mr. Hare made to me at that time. He said that—

Mr. ADCOCK. At which time was this?

Mr. STOTESBURY. This interview.

Mr. ADCOCK. In December?

Senator HARDWICK. When he sent for you?

Mr. STOTESBURY. Yes. He said, "Why, I examined this paper. They had a statement there that everybody connected with the Government excepting the Secretary had approved his project, and they had to admit upon my examination that the statement was inaccurate," or he may have used a stronger term. At any rate that it was not so, everybody had not approved, and well, I suggested it might have meant everybody whose business it was to approve, up to the Secretary. "Well," he said, "it was said there that everybody had approved." He called attention to another statement that he said had been made to him, which was that he was fully informed of the matter of the contract and the project. He said he did not know anything about it, whereas Maj. O'Brien's testimony had been that he had submitted the proposed contract to him and gone over in detail all of the provisions, and that Mr. Hare had agreed with him that it was comprehensive and complete and in proper form; that they were merely two details that he had called attention to which he felt that in a statement prepared by Mr. Newman for the information of the Government had been two glaring misstatements.

Mr. ADCOCK. Prior to the time you made your report, did you have any talk with anyone connected with the Government which would indicate to you that Mr. Trainer had in any way attempted to injure the chances of this project before consummated with the Government?

Mr. STOTESBURY. No.

Mr. ADCOCK. I would like you to refer to the testimony of Mr. Pitcher, and also Mr. Heckman. It is short: I would like to have it read, and I want to ask you questions with reference to it.

Mr. STOTESBURY. Which one will I refer to first, Mr. Heckman?

Mr. ADCOCK. Whichever you choose.

Mr. STOTESBURY. I have here the testimony of Mr. Heckman.

Mr. ADCOCK. You might state, if you know, who Mr. Heckman is.

Mr. STOTESBURY. Counsel and general manager of the University of Chicago. Do you desire me to read his statement?

Mr. ADCOCK. If you will.

Senator HARDWICK. What is the relevancy of that?

Mr. ADCOCK. It has connection with Mr. Pitcher's and Mr. Newman's testimony.

Mr. BENNETT. Of course, Mr. Heckman was one of Mr. Hines' accusers in the Lorimer case. We have no objection, however. I have never seen Mr. Heckman's testimony. They made an attempt to keep his name out of the record. What we did this morning was to raise objection to Mr. Reynolds without having seen his connection.

Senator HARDWICK. Does this have any connection with Mr. Trainer's testimony?

Mr. ADCOCK. Yes, along the line of the last question.

Mr. STOTESBURY. Mr. Heckman stated (reading):

I was at Oregon, Ill., in the country, when Mr. Horace Teney called me up and said Col. Sterritt would like to see me in regard to a certain matter. Col. Sterritt came to my house there, a couple of miles up the river, and reached there at 9.30 at night and left the next morning at 4 o'clock, and then I first learned just what he wanted to see me about. They had told me before that it was something about the Speedway property—that the Government wanted it for a hospital. I saw that if Col. Sterritt came so late at night and went so early the next morning, I ought to be fortified with any information that I

would need and, while I had a certain knowledge of real estate—I had been in the habit of consulting Wallace G. Clark. I employed Clark & Trainer to purchase something like a million and a half dollars worth of property in pieces—purchase in lots—and it required a great deal of skill to handle it. If they had been inclined to have magnified their work it would have leaked out. They handled it very successfully, purchasing a mile frontage of lots, and it didn't leak out until it was all over. It was done in a very straightforward way. I knew that Clark knew values along the canal. I said to myself, I can not do better than to compare my information with Wallace Clark, and I called him up to ask him about values there. I didn't tell him at all what it was about: just wanted to know what his idea was of the value of vacant property in that locality, at first, and finally I told him the exact piece, so I would know what his value was, and he placed it at about the same figure I had in my mind before I talked to him, and he verified his, which I couldn't, with transactions in the neighborhood, so I felt when Col. Sterritt came, I could say I had talked with Clark, who has been handling properties, and give his idea of it also.

There were two phases of the thing that Col. Sterritt seemed to want to talk to me about. That was one of them—the value of the property. I gave it to him, and you have his report showing what my view to him was. The other was Mr. Hines's connection with it. Now, I don't need to comment on that, that his reputation is so well known to everybody, and I share the general view of that gentleman. I communicated that fact to Col. Sterritt and told him that I was sure that men like —— would give him any information that he had about that man, that they had gone into it somewhat, and I referred him to several whose statements could be relied on. My conclusion to Col. Sterritt was that, notwithstanding Hines's reputation, since the price of that property was at the figure it had been figured in the transaction, and the matter was in the hands of a contractor who was, as far as I knew, responsible, and certainly was experienced, and since they had that large amount of lumber right there in the plant, I did not see how the Government could approach the economy of construction anywhere else. I think, notwithstanding his investigation and what he found out, the matter was dismissed or the negotiations terminated by the Government before Gen. Noble called—no, it did not happen when Gen. Noble called.

When he called the matter was still open and he was investigating it. Gen. Noble came here with—was it Mr. Clark or Mr. Trainer—one or the other of that company, came here with Gen. Noble—was it one or both? If so, one or the other or both of the company; and since he had reached the conclusion that that, after all, was a quick way and an economical way of securing this hospital, they seemed to concur in it, and we all seemed to think it was a mistake not to take advantage of it, and the question was raised as to how to get the matter before the Government, and something was said about referring it to somebody—to a committee—and I made a suggestion that a committee of such men as Cyrus H. McCormick and Mr. Reynolds be asked to go into the matter, and with their knowledge of the man and the community and their——

Mr. ADCOCK. How did that same matter come up in connection with Mr. Pitcher?

Mr. STOTESBURY. Shall I read all of his statement?

Mr. ADCOCK. Just a portion.

Mr. STOTESBURY. There are several pages. Perhaps I can state that.

Senator HARDWICK. Suppose you state it.

Mr. STOTESBURY. If my recollection is correct—you might call my attention to anything I leave out.

Mr. ADCOCK. Just a second. Do you remember what time these conversations were had between Mr. Heckman and Mr. Clark and Mr. Trainer and Gen. Noble?

Mr. STOTESBURY. No.

Mr. ADCOCK. It does not show?

Mr. STOTESBURY. No; and in that connection——







Mr. ADCOCK. And do you not think that when Mr. Trainer made that suggestion to Mr. Pitcher, or Mr. Clark made the suggestion to Mr. Pitcher, that he was intending to injure the project or consummation of the deal with the Government?

Mr. STOTESBURY. No; to the contrary.

Mr. ADCOCK. Do you remember whether in the conversation with Mr. Heckman he told you what the value of this land was, how he valued it?

Mr. STOTESBURY. That was the stenographic report or the conversation, just as I read it.

Mr. ADCOCK. From the impression you had obtained from Mr. Reynolds, and considering his standing in the community and the friendship that Mr. Reynolds had for Mr. Trainer, do you think it would be reasonable for them to expect Mr. Trainer and Mr. Hines to put through any proposition that would be improper, from the legal standpoint, or business or moral standpoint?

Senator REED. That is a question for the committee.

Senator HARDWICK. We will judge of that.

Mr. ADCOCK. Pardon me.

Senator HARDWICK. Anything else of this witness?

Mr. ADCOCK. You do not care to have him answer that?

Senator HARDWICK. No. We do not want to be strict, but that is going a little too far.

Mr. ADCOCK. As I understood you, you said that you did not examine Mr. Holden, who is the chief of Mr. Trainer's department?

Mr. STOTESBURY. No.

Mr. ADCOCK. Will you tell me why you did not?

Mr. STOTESBURY. I did not regard it—if I considered it at all I did not regard it as material to the determination of whether the Speedway project was an advantageous one to the Government.

Mr. ADCOCK. Did you interview anybody at Chicago, Washington, or any other place with reference to this matter that you have not reported in your testimony, during the course of your investigation?

Mr. STOTESBURY. Not that I recollect.

Senator REED. I think that if you have the names of any persons, it would only be fair to call the witness' attention to them, because sometimes men do forget.

Mr. ADCOCK. You say you examined all the witnesses separately?

Mr. STOTESBURY. Yes. There may have been an examination for a time when another witness was present, but that is the method. It was not a general hearing such as you are conducting here.

Mr. ADCOCK. I think that is all.

Mr. BENNET. This Maj. O'Brien that you mentioned is Maj. Arthur O'Brien?

Mr. STOTESBURY. Yes, he was in the legal department of the Construction Division.

Mr. BENNET. Did I understand you correctly to state that Mr. Hare stated what he alleged to be a fact one way and Maj. O'Brien stated almost diametrically opposite?

Mr. STOTESBURY. Mr. Hare?

Senator HARDWICK. I think he has been over that. He stated what Mr. O'Brien said and what Mr. Hare said. You do not want to repeat that, do you?

Mr. BENNET. I do not want to comment on that, I only wish to understand the situation. He referred to the statement that had been incorporated in the so-called history——

Senator HARDWICK (interposing). Of the Speedway project by Mr. Jacob Newman.

Mr. BENNET. Yes. And in that there was some sort of a statement that Mr. Hare——

Senator HARDWICK (interposing). Had approved the project. We know all about that.

Mr. STOTESBURY. Had approved the project and he stated to me that statement in there was not correct, or some strong language; that he did not know anything about it. According to Mr. O'Brien's statement——

Senator HARDWICK. That he had submitted it to him and that he had approved it?

Mr. STOTESBURY. Yes, that is the situation.

Mr. BENNET. I do not think that all of these things——

Senator HARDWICK. We do not need to have conclusions on that.

Mr. STOTESBURY. I did not comment at all.

Senator HARDWICK. We know you did not. There is no need for you.

Mr. BENNET. You examined Mr. Hines in detail, did you not?

Mr. STOTESBURY. Yes.

Mr. BENNET. And you had what you called an interview with Mr. Reynolds?

Mr. STOTESBURY. Yes.

Mr. BENNET. In relation to the same transaction?

Mr. STOTESBURY. Yes.

Mr. BENNET. And was the statement that Mr. Hines made to you under oath, and the statement that Mr. Reynolds made to you in an interview, so far as it related to what Mr. Hines had said to Mr. Reynolds concerning Trainer and Clark, substantially the same?

Mr. STOTESBURY. Substantially the same as to all matters concerning which they both testified.

Senator HARDWICK. In other words, Mr. Reynolds said that Mr. Hines had told him just what Mr. Hines had said that he told Mr. Reynolds?

Mr. STOTESBURY. Yes.

Senator HARDWICK. We remember that, too.

Mr. BENNET. Just one more matter. In your conclusions, which, of course, were correctly read, only once at one point apparently you said that the contribution of Mr. Hines was \$250,000, and in another place \$750,000.

Mr. STOTESBURY. You misunderstood, or did not state it correctly.

Senator HARDWICK. You stated that Mr. Reynolds stated what his contribution was.

Mr. STOTESBURY. He stated that the contribution, I read it, amounted, according to figures of the Construction Division, to a contribution of approximately \$790,000, and then in my subsequent reference to it I stated that it was approximately \$750,000.

Mr. BENNET. So if I got you using the figures \$250,000, that was my error.





Mr. STOTESBURY. The Inspector General realized that there might have been a change in conditions by reason of the signing of the armistice.

Senator HARDWICK. Would you like to read them?

Mr. STOTESBURY. The Inspector General in submitting the report forwarded this memorandum [Reading]:

WAR DEPARTMENT,  
OFFICE OF THE INSPECTOR GENERAL,  
Washington, November 16, 1918.

Subject: Hospital project, Speedway Park, Chicago, Ill.  
Memorandum for the Secretary of War.

1. Attention is invited to the accompanying report of investigation made by Maj. L. W. Stotesbury, Inspector General's Department.

2. Maj. Stotesbury has covered this case very completely, and his conclusions on pages 18, 19, and 20 are concurred in.

3. Recommendations No. 2 and No. 3 are concurred in, namely:

"(2) That the proposal to convert and utilize the Field Museum in Chicago for hospital purposes be reconsidered and disapproved."

"(3) That the records of examination of George H. Shank, Edward Hein, Frank H. Foster, Jacob Newiman, Conrad H. Poppenhausen and Wallace G. Clark, and the conclusion relative to the attempt of Milton J. Trainor and Wallace G. Clark to obtain a consideration for allaged services in connection with the Speedway project in consideration of furthering the same, be referred to the Department of Justice for consideration and appropriate action."

4. Regarding recommendation No. 1, namely, "That the proposal of The Shank Co., as set forth in a communication to the Secretary of War under date of October 12, 1918, and as covered in part by the proposed contract executed by George H. Shank, on behalf of The Shank Co., on or about August 30, 1918, for the construction of a hospital group and additional buildings upon the land known as the Speedway Park, situated in the village of Brookview, Cook county, Ill., and for the conveyance of such land, comprising about 320 acres, be reconsidered and approved." Same is concurred in, provided it be determined by the War Department to procure, by construction, additional hospital space.

In this connection attention is invited to letters of November 4 and November 8, signed by M. W. Ireland, Surgeon General, in which Gen. Ireland states, in effect, that it is desired to make ample provision for general sick in the vicinity of Chicago; that the Speedway property would admirably provide the necessary accommodation; that while it would be possible to salvage back to the owners this property within a certain number of years, at 40 per cent of its present value. It is believed that no such occasion would arise as the necessity for this hospital would continue.

5. Special attention is invited to conclusions Nos. 6 and 7, page 18, relative to equity claims of The Shanks Co., in the event that the Speedway Park project be abandoned.

J. L. CHAMBERLAIN, *Inspector General.*

Senator HARDWICK. What is the date of that?

Mr. STOTESBURY. That was on November 16, and on November 4 there was another memorandum furnished as follows [reads]:

WAR DEPARTMENT,  
OFFICE OF THE SURGEON GENERAL,  
Washington, November 4, 1918—

Memorandum for the Inspector General's Department:

This office is now requested by the Inspector General's Department to express its desire and make recommendation with reference to the following general hospital projects:

- (a) Speedway Park, Maywood, Chicago, and
- (b) The new Field Museum, Chicago.

It is assumed that the Inspector General has all papers in his possession, including the recent memo. from the Director of Operations to the Secretary of War which included an exposition of the relative merits of the two projects and requested reconsideration.

(a) This office has always desired to make ample provision for general sick in the vicinity of Chicago and has desired to provide a portion of the beds (that proportion which will always be required by the enlarged permanent authorized strength of the Army) in more permanent construction. The Speedway Park property admirably provides this. Though it will be possible to salvage back to the present owners this property in five years or less, at 40 per cent of its present value, this office feels certain that there will never be any occasion to do so, as all the beds of this general hospital will be required always and are not for the present emergency only.

(b) It is felt at this time, with favorable consideration of the smaller permanent hospital project at Speedway Park, this office does not desire to recommend the new Field Museum project. If a shortage of beds should result in the district of Chicago or the Central States, this office will undertake to supply the shortage more economically in another manner.

MERRITTE E. W. IRELAND,  
Major General, Medical Corps, United States Army,  
Surgeon General.

That is the only thing added to my report.

Senator HARDWICK. Very much obliged, and the committee excuses you from further attendance.

#### TESTIMONY OF MR. MILAN M. HITCHCOCK, BERWYN, ILL.

(The witness was sworn by the chairman.)

Mr. BENNET. Mr. Hitchcock; you are in the real estate business in Chicago, Ill.?

Mr. HITCHCOCK. Yes, sir.

Mr. BENNET. And on the 2d of September, 1918, you got a telegram from one Capt. Ashby?

Mr. HITCHCOCK. Yes, sir.

Mr. BENNET. You had known Capt. Ashby for a number of years?

Mr. HITCHCOCK. Yes, sir.

Mr. BENNET. You knew he was connected with the War Department?

Mr. HITCHCOCK. Yes, sir.

Mr. BENNET. And you answered his telegram without hesitation?

Mr. HITCHCOCK. Yes, sir.

Mr. BENNET. Have you the telegram there that he sent you?

Mr. HITCHCOCK. Yes, sir. [Witness hands Mr. Bennet a telegram.]

Mr. BENNET. I will read it for the record [reads]:

WILMINGTON, DEL., September 2, 1918.

M. M. HITCHCOCK.

Berwyn, Ill.

If possible find out price per acre of land around Speedway Park, M. D. Do not go to unnecessary trouble, but wire Construction Division, Seventh and B streets, Washington, D. C., care Maj. Maloney.

Did you answer that wire?

Mr. HITCHCOCK. Yes, sir.

Mr. BENNET. Can you state what you answered him?

Mr. HITCHCOCK. \$400 to \$600.

Mr. BENNET. Do you know what became of your answer?

Mr. HITCHCOCK. No, sir.

Mr. BENNET. Col. Wright, do you know what became of the reply that Mr. Hitchcock sent?

Col. WRIGHT. Yes.

Mr. BENNET. What became of it?

Col. WRIGHT. I have it in the records of our office.

Mr. BENNET. Did it have any effect on this Speedway proposition one way or another?







that project, and informed me that certain men of wealth in Chicago were willing to provide the amount of money necessary to complete such a project over and above what the Government would ordinarily provide for the temporary cantonment construction projects that they had in mind. We discussed that project at length and the policy of the War Department at length, and I was of the distinct and decided opinion that it was a grave mistake to expend the amount of money that was being planned by the college in that form of construction for hospital purposes. I had been instrumental in trying to get a harbor at East Chicago, and I knew that it was the opinion of people, medical authorities, and all intelligent people, that nothing but fireproof hospitals should be provided for sick people, and felt, as Dr. Billings did, that to provide anything but the very best hospitals for men who had fought for the rest of us was nothing short of criminal. That was my idea of it.

Going out to Chicago and looking over these various sites I thought I might be helpful to Dr. Billings in the selections that were made in Chicago.

I might go back to this Cubs Ball Park proposition. It was proposed, so I was informed, that these gentlemen would put up this money, the money over and above the amount that the Government would naturally spend for their cantonment hospitals, on the condition that this hospital would be finally turned over, as I understood it, to the University of Illinois and the Presbyterian Hospital for some sort of joint operation. The reason, as I understood, that it was not accepted by the Government was because the Government could not enter into an arrangement with a State or some private corporation for ownership and operation of a project of that kind.

Then I had that project in mind, that theory of some one providing money over and above what the Government was naturally going to spend, and among the other properties that I looked over in Chicago was this Speedway property. My prior experience was such that when I saw the grand stand, the bleachers, the track, that I immediately realized that there was an immense amount of lumber there on the ground which would not have to be transported by rail, using motive power and cars. There was also on hand on the ground a large amount of steel. The sewage was in the ground, the drainage was in the ground, water was there on the property, and a large amount of plumbing fixtures, and roads were built on the ground.

Part of my experience has been that of a surveyor. I conferred with surveyors in Chicago with regard to the property to see whether they felt—

Senator BECKHAM (interposing). The Speedway property?

Mr. ERSKINE. Yes.

Senator BECKHAM. Did you know who owned that?

Mr. ERSKINE. I did not know who owned it at that time; no.

Mr. ADCOCK. What time was this?

Mr. ERSKINE. That I would say was in June, or maybe in May.

I came back to Washington and went to friends of mine in the War Industries Board and talked over the way the policy of changing over buildings already constructed, or the creation of hospitals out of this cantonment construction, had been made the rule, and the information I obtained from them was that it was because all steel

products would have to be utilized for war purposes. But I kept on studying the matter and was convinced that the Speedway property had on it such materials that it was a true conservation of materials.

I investigated the labor situation in Chicago and thoroughly satisfied myself that all the labor for the building trades was employed there, and it would not interfere with war industrial activities to utilize it in the building of this project, and about this time I talked with Mr. Newman, of the firm of Newman, Poppenhusen & Stern, of Chicago, with whom I had been interested in a number of matters. They had been my counsel in a number of matters, and had been very helpful to me, and I told him that I was interested in this hospital reconstruction project, and told him I had been very much impressed with this Speedway project. He said, "A client of mine, Mr. Hines, is the owner of that property and I would like to have you talk with him." I met Mr. Hines and suggested to him that it would be a fine thing to do to provide whatever was necessary over and above what the Government would ordinarily pay for the cantonment construction of hospitals in order to perpetuate to Chicago not alone the money and material but the labor that went into the construction of a hospital.

Mr. Hines seemed to be quite impressed with the idea, and a little later than that his son died, and he suggested to me that he would be glad to take the matter up definitely, if the hospital could be named after his son. I came back to Washington and found that it was against the policy of the Government to name a project after any individual, and so I went back to Mr. Hines and told him that, and did my best to convince him that the project was such a worthy one that he should be glad to undertake it even if his name was not attached to it, and he finally said that he would back the project.

I came to Washington and had many interviews about it and found that this policy that the War Department had established in regard to cantonment construction, or the conversion of buildings already constructed, was a settled one and very hard to get around. I made no headway anywhere, and finally decided that the only way to get a hearing was to go to Secretary Baker. I felt that he was the head of the War Department, and that if I could interest him in the idea, and go to him, and I had a good reason for my statements, that he would foster a project of that kind.

I met Secretary Baker, and he granted a 15-minute interview, which, when I finally got in there, developed into an interview that lasted over an hour. He listened carefully to what I had to say, and seemed to be exceedingly impressed with the idea that it was true conversation, and meritorious, something that ought to be done. He called in Dr. Keppel, and told Dr. Keppel what I had told him, and asked Dr. Keppel to introduce me to Gen. Jervay, of the General Staff, and to give me every facility, so that I could elaborate my deals into a concrete proposition.

Dr. Keppel asked me to return the following morning, which I did, and he took me in and introduced me to Gen. Jervay, and stated to Gen. Jervay what Secretary Baker had said to him. Dr. Keppel seemed also much interested, and very much impressed with the idea, and Gen. Jervay asked me what I would like to do. I made the suggestion that I would like to assemble a force of engineers, draftsmen, and architects in some office, the Surgeon General's



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Mr. ERSKINE. Yes.

Senator HARDWICK. Well, now, during this time did any communications pass between you and Mr. Hines or Mr. Newman, his counsel?

Mr. ERSKINE. Surely. Mr. Hines told me to go ahead and get out the most commendable project that it was possible to get out, and did the best I could, and I think that what has been said here by the heads of the various departments is conclusive proof that I did so.

Senator HARDWICK. You were trying to get a project to suit what they wanted and to come up fully to the requirements of every branch of the service?

Mr. ERSKINE. Absolutely, and at the same time perpetuate to Chicago these materials that otherwise were going to be wasted, because—may I say something there that I am convinced that from my own experience, and am willing to go on record that there will be no salvage at Fort Sheridan when those buildings are scrapped.

Senator HARDWICK. You thought it was better to have a few good permanent hospitals after the war was over?

Mr. ERSKINE. Absolutely.

Senator HARDWICK. Fireproof.

Mr. ERSKINE. I think the other policy was not a commendable policy.

Senator HARDWICK. Well, now, I understood you to say, did you not, that you had no particular personal friendship with Secretary Baker, no particularly close relations with him?

Mr. ERSKINE. That is correct.

Senator HARDWICK. You had no particular relations with him except as to the merits of the proposition?

Mr. ERSKINE. Yes.

Senator HARDWICK. You relied on nothing else?

Mr. ERSKINE. Absolutely nothing else.

Senator HARDWICK. Do you know anything about the manner in which this project was blocked, delayed, and so on as soon as the Secretary left for France? Do you know anything about how and why and by whom it was blocked?

Mr. ERSKINE. No. I have my ideas. I do not like to express ideas unless from convictions.

Senator HARDWICK. Unless they are convictions, I do not believe myself they are of any use. If you have any facts on which you base your ideas I would be glad to have them.

Mr. ERSKINE. I might say that finally the project was not cleared, that was the reason given to me that the contract was not executed.

Mr. HARDWICK. The contract was not signed by the Secretary or the Acting Secretary of War?

Mr. ERSKINE. Yes.

Senator HARDWICK. Was that the only thing needed to make it?

Mr. BENNET. "Cleared", I think, means something else.

Mr. ERSKINE. It means the clearance by the War Industries Board, which would enable the Construction Department, as I understand it, to give this contract priority.

Senator HARDWICK. The War Industries Board did not clear?

Mr. ERSKINE. That was my understanding.

Senator HARDWICK. Why didn't they do it?

Mr. ERSKINE. Because—I discovered afterwards—because there was a clashing of authority between the War Department and the War Industries Board, and I had numerous meetings in the War Industries Board trying to get the project cleared.

Senator HARDWICK. That is to get them to give approval for furnishing materials or whatever else was needed.

Mr. ERSKINE. Yes; I was persistently calling up and visiting Col. Wright and asking him what the situation with regard to the papers was, and one morning I called him up and suggested that the project should be cleared, and asked him if he could be of any service, and if I am not mistaken he accepted an offer I made to act as a taxicab for him, and I went to his office and he said that the papers, his final report on the project, would be ready in a short time and I waited. It finally was put on his desk and I think he took it over to Gen. Noble's office and came back with the approval of Gen. Noble, the Acting Surgeon General in charge here at that time, and that it was then approved by the construction division. I know we went and got in my car and went over to the Mills Building or the State War and Navy Building with the papers. Late in the afternoon Col. Calhoun took the papers in to Gen. Jervoy of the General Staff for approval. Col. Calhoun was in there a matter of fifteen or twenty minutes and came out and I think, if I recall correctly, he then said, "Now there is only one more thing to do," and I asked him what that was and he said, "To get B. Crowell."

Senator HARDWICK. The Assistant Secretary of War?

Mr. ERSKINE. Yes.

Mr. BENNET. You mean to get his signature?

Mr. ERSKINE. Yes; that is obvious.

Mr. BENNET. You made your answer in part by gesture. The stenographer can not get that.

Senator HARDWICK. You meant the signature of the Assistant Secretary or Acting Secretary Crowell?

Mr. ERSKINE. Yes.

Senator HARDWICK. What was the date of that?

Mr. ERSKINE. I do not remember it. I have it and can furnish it.

Senator HARDWICK. I do not think it is important. Is that about the time that they went back to Chicago to begin work?

Mr. ERSKINE. They began work about two weeks before that.

Senator HARDWICK. Were you with them when they went to see these people?

Mr. ERSKINE. Yes.

Senator HARDWICK. Was there any request made to go back at once without waiting for the red tape?

Mr. ERSKINE. My understanding is that the whole atmosphere was to get out there and get on the job and get that thing going as quickly as they could.

Senator HARDWICK. Was anything said to them about like this: "We have not yet received the approval of the Secretary or Acting Secretary, but that is a mere matter of form, so get out on the job and get to building this hospital"?

Mr. ERSKINE. I am sure that was the idea, and I may have felt a little more strongly than the others did about it, because I had heard what the Secretary of War said.

Senator HARDWICK. Mr. Baker's approval was certain?

Mr. ERSKINE. Absolutely certain.

Senator HARDWICK. Did you know at that time that in the department's regulations and practices that the final approval of projects of this sort was by the Assistant Secretary rather than by the Secretary?

Mr. ERSKINE. No; I did not know that.

Senator HARDWICK. You thought it would be by Secretary Baker and you thought you knew what he would do?

Mr. ERSKINE. Yes.

Senator HARDWICK. I think some one testified here that "We think it will go through all right, but that is not a contract until the Secretary or Acting Secretary signs it, and if you go ahead with this work you will be going ahead with it on your own responsibility." And that you replied, "All right, we will go fifty-fifty." Do you remember that?

Mr. ERSKINE. I was joking. The whole idea was that the thing should be rushed.

Senator HARDWICK. You remember that proposition?

Mr. ERSKINE. I remember saying fifty-fifty. I do not think I remember it in the way it was suggested.

Senator HARDWICK. So far as I am concerned, I am willing to stop with this witness.

Mr. BENNET. I have no suggestions to make. I think he has covered everything.

Senator BECKHAM. Did you see any evidences from any point of blocking this proposition? You said that seemed to be in the air.

Mr. ERSKINE. I could say this, that numerous friends of mine criticized me severely for having become associated with Mr. Hines in this project, saying that it was an association that would do me no good. I felt very strongly, and so expressed myself to them, that to me it was a question as to whether the project was or was not meritorious. If it was meritorious, and Mr. Hines was big enough and generous enough to back it, what Mr. Hines might or might not have done before this time had absolutely nothing to do with the matter, and that they, as Chicago men, ought to be glad to get behind it. That was injected into the question again and again.

Senator HARDWICK. Did you hear of any comments of this kind at the War Department?

Mr. ERSKINE. I did.

Senator HARDWICK. They were afraid of it because Mr. Hines was back of it?

Mr. ERSKINE. Yes.

Senator HARDWICK. Afraid it would be unpopular?

Mr. ERSKINE. That is my notion.

Mr. BENNET. Did you ever have any talk with Mr. Hare?

Mr. ERSKINE. Yes.

Mr. BENNET. Did he express approval or disapproval of your idea?

Mr. ERSKINE. Distinct disapproval.

Mr. BENNET. About when was that conversation?

Mr. ERSKINE. It was after the matter had been held up by the War Industries Board, and I would have to look over my dates.

Senator HARDWICK. Did he give his reasons?

Mr. ERSKINE. He said that this matter had been put in his charge; that there had been talks about Mr. Hines having presented the Government with a gift and that influence had been brought to bear one way and another to put this project through, as he expressed it; but he said that he was going to judge the matter entirely on its merits and that "I would like to have you listen to me on the subject. I have given it very careful study and I have worked a great deal on it." I said, "I am fully confident about the proposition." And I asked him, "How long have you been in this position," and he said, "Three or four days," and I said, "I think some information would be of value." He disagreed with me, and with considerable heat the conversation was terminated.

Senator HARDWICK. Did he know that you had any connection with the project? Did he say anything about that?

Mr. ERSKINE. Not to my knowledge.

Senator HARDWICK. Are you in any way related to the President of the United States?

Mr. ERSKINE. I am not.

Senator HARDWICK. What do you mean by that?

Mr. ERSKINE. My wife is.

Senator HARDWICK. She is kin to President Wilson?

Mr. ERSKINE. Yes. I am glad to say that I am proud of the fact.

Senator HARDWICK. You did not use that as an argument in this matter?

Mr. ERSKINE. I do not think I would be quite that foolish.

Senator HARDWICK. I wondered how he knew that.

Mr. ERSKINE. I do not know.

Senator HARDWICK. And you do not know whether any of the balance of the War Department officials knew that there was any?

Mr. ERSKINE. Dr. Billings knew it, and I knew Dr. Billings pretty well.

Senator HARDWICK. I mean of these department officials?

Mr. ERSKINE. I do not know whether they did or not.

Senator HARDWICK. You did not inform them?

Mr. ERSKINE. I certainly did not. I was satisfied with the merits of the proposition. It seemed to me it was something that was well worth standing on and working for.

Senator HARDWICK. And you were trying to let it stand on its own merits?

Mr. ERSKINE. Absolutely.

Senator HARDWICK. No prejudice in favor of Mr. Wilson and against Mr. Hines?

Mr. ERSKINE. Absolutely.

Mr. ADCOCK. Just one or two questions. I do not know whether you were here when Mr. Newman testified or not?

Mr. ERSKINE. I was.

Mr. ADCOCK. Do you remember there was a reference to the July 2 meeting?

Mr. ERSKINE. I do.

Mr. ADCOCK. Do you remember who was present there?

Mr. ERSKINE. There was Mr. Newman—I am not very accurate about this, I fear—Mr. Newman, Mr. Poppenhusen, Mr. Shank, Mr.



Foster, Mr. Trainer, and Mr. Travis Hunt. He stepped in a moment, only for a moment, and went out again. If there was anybody else—

Mr. ADCOCK. Mr. Hodge?

Mr. ERSKINE. I think Mr. Hodge.

Mr. ADCOCK. How did you happen to go to that conference?

Mr. ERSKINE. Mr. Newman asked me. I had prior to that time talked with him about my interest in the matter, and he asked me to be present and said that Mr. Trainer was going to tell about the hospital situation.

Mr. ADCOCK. And Mr. Trainer did?

Mr. ERSKINE. He did at length; yes.

Mr. ADCOCK. Mr. Trainer and Mr. Hodge—do you know how it happened that Mr. Trainer was there?

Mr. ERSKINE. I do not know.

Mr. ADCOCK. Was the attitude of both Mr. Trainer and Mr. Hodge helpful toward the project?

Mr. ERSKINE. Distinctly, sir.

Mr. ADCOCK. There was no hostility whatever evinced by them?

Mr. ERSKINE. No, sir.

Mr. ADCOCK. Did you know anything about the valuation of the speedway property that was made under the direction of Mr. Tigchon, of the real estate division of the Purchase, Storage and Traffic Bureau, War Department?

Mr. ERSKINE. I did.

Mr. ADCOCK. The valuation of the land, simply of the land itself or with the improvements that were on the ground or in the ground?

Mr. ERSKINE. I had not known until I asked Maj. Holden a few minutes ago, just before lunch, and he told me the valuation of \$60 an acre that was rendered was on the ground alone.

Mr. ADCOCK. Were the sewers and water pipes on the ground?

Mr. ERSKINE. Yes.

Senator HARDWICK. Have we not that pretty well established without dispute?

Mr. ADCOCK. You accompanied Mr. Tigchon from Chicago to Washington?

Mr. ERSKINE. I did.

Mr. ADCOCK. Did you have any conversation with Mr. Tigchon about your interest in the matter on the trip there?

Mr. ERSKINE. I talked with him all the way from Washington to Chicago, and I must have. It was the subject of conversation.

Mr. ADCOCK. You do not know whether you told him on the train to Chicago that you had an option on this property?

Mr. ERSKINE. I did not.

Mr. ADCOCK. Do you know whether in the discussion, do you remember whether any discussion was had of that question at the time you met Mr. Tigchon at Blackstone Hotel after you arrived in Chicago, and that that conversation was had in the presence of Mr. Richards, Mr. Janne, and Mr. Poronto?

Mr. ERSKINE. I may have said this, and I think possibly so, that in view of the antagonism that had been aroused on account of Mr. Hires's connection with the project, that it would have been wise had I secured an option on the property and tried to interest Mr.

Armour and the other men, who backed so-called Cubs ball park hospital proposition.

Mr. ADCOCK. Did you promise Mr. Tigchon any time that you would bring the contract to him and exhibit it to him?

Mr. ERSKINE. I did not.

Mr. ADCOCK. Did you have a conversation after that in which Mr. Tigchon asked you for it, and you said you decided not to produce it?

Mr. ERSKINE. I could not have said anything of that kind.

Mr. ADCOCK. When was that first talk with Mr. Newman and Mr. Hines?

Mr. ERSKINE. I will have to look up my diary to see what that is.

Mr. ADCOCK. Was the statement of Col. Wright and Richards that about the 10th of September you refused to divulge the names of the persons who were interested in the Speedway project true?

Mr. ERSKINE. I did not refuse to divulge the name, I said the name would not be mentioned. I did not think it was necessary.

Senator HARDWICK. Why did you make that answer, because you feared—

Mr. ERSKINE. Knowing that Secretary Baker had expressed himself as of the opinion—

Senator HARDWICK. Did you tell Secretary Baker who that man was?

Mr. ERSKINE. I told him that there was a man responsible that was standing for the proposition and would back the proposition, and he would be satisfied not to be known in connection with it. The idea was that nobody was to get any advertising or glory from the thing.

Senator HARDWICK. It would be charity unostentatious.

Mr. ERSKINE. That was the idea.

Senator HARDWICK. And did you also have it in mind that possibly some of the prejudice to which you referred might hurt the project?

Mr. ERSKINE. A little.

Senator HARDWICK. You had that in mind?

Mr. ERSKINE. Yes.

Mr. ADCOCK. You knew Maj. Holden, the chief of the real estate division of the General Staff?

Mr. ERSKINE. I met him, yes.

Mr. ADCOCK. Do you remember any conversation with him when you told him that you had an option on the proposition?

Mr. ERSKINE. If I said anything about an option, it was on the same idea; because I had never had an option and never contemplated an option.

Mr. ADCOCK. That is all.

Mr. BENNET. Did you accompany Mr. Hines when you had an interview with Secretary Baker about the 28th or 29th of October, 1918?

Mr. ERSKINE. Yes.

Mr. BENNET. At that time did you not join in the request with Mr. Hines that the whole Speedway matter be investigated?

Mr. ERSKINE. I particularly requested it. I said to him that I had been subjected to a great deal of criticism, and I said I thought it was only right and proper that we should have the whole matter thoroughly investigated.

Mr. BENNET. And it was in pursuance of that request from yourself and Mr. Hines that Maj. Stotesbury was appointed to make an investigation?

Mr. ERSKINE. Secretary Baker was away, and Mr. Hines and I returned the following morning; and at that time a gentleman was there, whom the Secretary introduced as Insp. Gen. Chamberlain, and he said:

I will now make a statement of the entire matter as it occurs to me, and I have asked Gen. Chamberlain to be here at the same time that Mr. Hines and Mr. Erskine are, so that they can correct me if I give you an impression which is different from the way they feel about it.

He gave a very concise and clear statement of the whole situation, and then asked Insp. Gen. Chamberlain to make a most searching investigation.

Mr. BENNET. Before that time had you known Maj. Stotesbury?

Mr. ERSKINE. I never had.

Mr. BENNET. Was anything said by you at that time, or by Mr. Hines, as to whether the work of the Speedway was going right on, whether the work of the Speedway was continuing?

Mr. ERSKINE. That was understood, and photographs were shown showing it, if I am not mistaken.

Mr. BENNET. Shown to the Secretary?

Mr. ERSKINE. I am not sure about that.

Mr. BENNET. If you recall, was anything said to the Secretary about whether the work was going on?

Mr. ERSKINE. We told him, as carefully as possible, just how far the work had progressed, and that it was still continuing.

Mr. BENNET. And what, if anything, did he say about that?

Mr. ERSKINE. I could not say. He certainly did not express himself as being disappointed by the fact that the work was going on.

Mr. BENNET. He did not say anything about stopping it at once, or anything like that?

Mr. ERSKINE. No; he did not.

Mr. BENNET. Did he say anything as to what he would do if the investigation disclosed that the project was as meritorious as you all had said it was, or anything of that nature?

Mr. ERSKINE. My understanding was—he may not have expressed this in exact words, but my understanding was—that if the report was favorable to the project, he would at once approve it.

Senator HARDWICK. We will not have time for more than one more witness to-day.

Mr. BENNET. I would like to read into the record a memorandum furnished by the Surgeon General's Office of the reasons given for the rejection of September 26. It has not been put in the record before.

Senator HARDWICK. All right.

Mr. BENNET. It will take about a minute of the committee's time, and I will furnish copies of it.

(Mr. Bennet here read the papers referred to, which are here printed in full in the record, as follows:)

SEPTEMBER 27, 1918.

Memorandum for the Surgeon General:

Subject: Construction of General Hospital, Maywood, Ill.

The Acting Secretary of War directs that you be informed in view of the fact that 4,000 beds can be provided for at Fort Sheridan, at a cost of \$737

per bed, and further in view of the fact that it appears possible to secure an additional 6,200 beds, by erecting temporary buildings at Speedway Park and Washington Park, the project for building a permanent hospital at Speedway Park at a cost of \$1,410 per bed is disapproved. It is directed that further study be given to the general subject of securing additional beds at Speedway Park, Washington Park, and at the new Field Columbia Museum, and that a report covering these projects be made to this office promptly.

For the director of operations.

R. E. WYLLIE,  
Colonel, General Staff, Chief, Equipment Branch,  
Army Operations Division.

OCTOBER 4, 1918.

Memorandum for the Hospital Division, Surgeon General's Office.  
Subject: Construction of General Hospital, Maywood, Ill.

The decision on the proposed hospital at Speedway Park, September 27, contains an error in the 4th and 5th lines in their reference to "by erecting temporary buildings at Speedway Park and Washington Park." The 4th and 5th lines should read "by erecting temporary buildings at Marquette Park and Washington Park" for additional beds.

For the director of operations.

F. G. KELLOND,  
Colonel, General Staff.

#### TESTIMONY OF MR. FRANK H. FOSTER.

(The witness was sworn by the Chairman.)

Mr. BENNET. Please state your name and address to the stenographer.

Mr. FOSTER. Frank H. Foster; 30 North Lasalle Street, Chicago, Ill.

Mr. BENNET. You are part owner of the Chicago Construction Co. in Chicago?

Mr. FOSTER. Yes.

Mr. BENNET. And you were, all during the years 1917 and 1918?

Mr. FOSTER. Yes.

Mr. BENNET. What offices have you held in that company?

Mr. FOSTER. Secretary and treasurer.

Mr. BENNET. Are you an officer of the Speedway Park Association?

Mr. FOSTER. Yes.

Mr. BENNET. Were you in 1917 and 1918?

Mr. FOSTER. I was.

Mr. BENNET. What offices did you hold in that company?

Mr. FOSTER. Secretary and treasurer.

Mr. BENNET. Do you know Mr. Trainer, here, and Mr. Clark.

Mr. FOSTER. I do.

Mr. BENNET. And when did you first become acquainted with those gentlemen, or either of them?

Mr. FOSTER. As I recall, the first time I ever met either one of those was in my office.

Mr. BENNET. Where is your office?

Mr. FOSTER. No. 30 North Lasalle street, Chicago.

Mr. BENNET. When was it?

Mr. FOSTER. The latter part of June or the early part of July, 1918.

Mr. BENNET. Who was present?

Mr. FOSTER. Mr. Clark, Mr. Trainer, Mr. Shank and myself.

Mr. BENNET. I suppose there were the usual employees in and around the office?

Mr. FOSTER. Yes; some of them were there.

Mr. BENNET. Just that what occurred at that time, and what was said.

Mr. FOSTER. I was in the bookkeeping department there, and Mr. Shank was out in the sort of entrance to the office. Two gentlemen came in and talked with him a little bit, and he called to me to come around there and meet them. I was rather busy and told him to bring them into the department, into the office where I was. He brought in these two gentlemen and introduced them to me as Mr. Clark and Mr. Trainer. I can not recall any conversation there, or just who started it, but it was put to me in this way by Mr. Trainer, that he wanted me, or us—if he said us, he meant Mr. Shank and me—to introduce him to Mr. Hines with a view of having Mr. Hines take him to Mr. George M. Reynolds and arrange to secure or put up either a compensation or a commission or something of that kind; the wording I do not exactly remember.

Mr. BENNET. In connection with what?

Mr. FOSTER. In connection with the hospital at Speedway Park.

Mr. BENNET. And you did not know either of those gentlemen prior to that?

Mr. FOSTER. I do not recall ever seeing them before.

Mr. BENNET. And after they had gone, did you and Mr. Shank go over and see Mr. Hines?

Mr. FOSTER. My remembrance is that I called up Mr. Hines at his downtown office, and that I went over there and talked with him, on this matter.

Mr. BENNET. Did you tell Mr. Hines what these gentlemen wanted?

Mr. FOSTER. I did.

Mr. BENNET. Did he agree to go with them to Mr. Reynolds?

Mr. FOSTER. No; he became very indignant and refused to meet Mr. Trainer; said he would have nothing whatever to do with a matter of that kind; that Mr. Reynolds was a very high-class gentleman and it would insult him to go there with any such proposition. He also warned me about my position in a matter of that kind. I do not know how necessary that was, because I understood, anyhow, that it would be wrong if we did anything; but up to that point nothing was done.

Mr. BENNET. Was anything stated at either of those interviews relating to the fact that Mr. Trainer was doing work for the Government?

Mr. FOSTER. I know it was not stated by Mr. Trainer. I am under the impression that Mr. Shank stated to Mr. Hines that he was in the employ of the Government.

Mr. BENNET. Did you ever see Mr. Trainer at any other time, since?

Mr. FOSTER. I was present at one subsequent meeting.

Mr. BENNET. Where was that? Was that the meeting of July 21?

Mr. FOSTER. Yes; that was the large meeting you referred to.

Mr. BENNET. And did he take any particular part in that meeting?

Mr. FOSTER. No; he was principally audience, there.

Mr. BENNET. What subject was discussed at that meeting?

Mr. FOSTER. Hospitals in general; and specifically, the hospital at the Cub baseball park; and reference was also made to the Speedway Hospital.

Mr. BENNET. Was the subject of commissions mentioned in any way at that meeting?

Mr. FOSTER. Not in my hearing.

Mr. BENNET. There has been some testimony here that the firm of Trainer & Clark had this Speedway property on their books under some sort of a retainer—formal retainer. Is that the fact?

Mr. FOSTER. Not from me. I never heard of it.

Mr. BENNET. And you held offices in both companies?

Mr. FOSTER. Yes.

Mr. BENNET. And did all through 1917 and 1918?

Mr. FOSTER. I did.

Mr. BENNET. And at all times since the Shank Co. became interested in the Speedway project?

Mr. FOSTER. At all time. Well, I was treasurer—no; I was treasurer when the Shank Co. first became interested in the Speedway Park Association, and subsequently was secretary and treasurer.

Mr. BENNET. You always held an office?

Mr. FOSTER. Always held office.

Mr. BENNET. In the company?

Mr. FOSTER. Yes.

Senator HARDWICK. Were you the officer that would have handled that sort of thing?

Mr. FOSTER. Naturally.

Mr. BENNET. You never did give them any authority?

Mr. FOSTER. I never did.

Mr. BENNET. You never were in Washington in connection with the matter of any of these conferences?

Mr. FOSTER. I was called to Washington one time for consultation, that was all. I met no one here.

Mr. BENNET. When Mr. Trainer came up with Mr. Shank, did you know that Trainer had anything to do with the Government interests in this hospital project?

Mr. FOSTER. I do not know that I did, at that time.

Mr. BENNET. Was anything said, at that interview, about it?

Mr. FOSTER. I do not think there was anything said about it at this interview, but there was something said shortly afterwards, when I talked with Mr. Hines.

Mr. BENNET. How in the world was it explained that this man should get \$100,000 and have it deposited in that way, what reason was given for that by Mr. Shank?

Mr. FOSTER. I will tell you, we are in a peculiar business, Mr. Chairman. We buy property and build buildings and lease them for a term of years at a net rental, to responsible tenants and in buying property and in leasing it and in selling it—we also sell, but in buying and leasing and selling—we meet a great many brokers, and I think it is safe to say that in a large percentage of the deals we have there are adverse claims come in; that is, a demand is made on us for a share of the commission.

Mr. BENNET. You mean for a share of the brokers' fees?

Mr. FOSTER. Yes; and often we will have a claim made by a broker with whom we can not trace any connection at the time.

Mr. BENNET. They just turn up and claim something?

Mr. FOSTER. Yes. At the time this was going on we had submitted to the War Department an ordnance building there, and on account of the way that they built it, it fell down, but at the time it was reported in Chicago that that deal was going to two brokers. I recall two brokers that I had no former connection with who came in and informed me that if I paid the commission without taking care of them, they would hold me for it.

Senator BECKHAM. You mean real estate brokers?

Mr. FOSTER. Yes.

Senator BECKHAM. Here were two brokers dealing with a Government hospital.

Mr. FOSTER. Yes.

Senator BECKHAM. What possible connection did this man Trainer have with the proposition? Did you have any idea in your mind as to what he was doing, demanding \$100,000?

Mr. FOSTER. Not until I talked to Mr. Shank, afterwards.

Senator BECKHAM. You talked with him afterwards?

Mr. FOSTER. Yes.

Senator BECKHAM. And then Mr. Shank told you?

Mr. FOSTER. He was somewhat noncommittal, but then I talked it over with him.

Mr. ADCOCK. I can not finish the cross-examination of this witness until I have the testimony that Mr. Foster gave Maj. Stotesbury. It was understood that the cross-examination was to be postponed.

Mr. BENNET. Just one question. The Shank Co. has erected three or four warehouses at a cost of several million dollars that are leased to the Government?

Mr. FOSTER. Yes.

Mr. BENNET. Have you ever had any trouble with those contracts?

Mr. FOSTER. No, sir.

Mr. BENNET. They have always treated you well?

Mr. FOSTER. Up to this instant.

Mr. BENNET. And you have treated them well?

Mr. FOSTER. I hope they feel so.

Mr. ADCOCK. I just want to ask one question.

Senator HARDWICK. All right.

Mr. ADCOCK. As I understand, Mr. Foster, you were present at the conversation between Mr. Shank and yourself and Mr. Clark and Trainer?

Mr. FOSTER. Yes. They had a talk before they came to me, but during the times that the four of us were there, I was present.

Senator HARDWICK. Did Mr. Clark say anything during that conversation?

Mr. FOSTER. Nothing of importance, that I recall.

Senator HARDWICK. Trainer did the talking?

Mr. FOSTER. Mr. Trainer did the talking.

Senator HARDWICK. About Mr. Hines?

Mr. FOSTER. Yes; he was the one that was going to meet Mr. Hines.

Senator FRANCE. Can you remember exactly what he said and how was said?

Mr. FOSTER. I will try to recall it, Senator, but it is pretty hard for me to recall the words. I would be glad to give it to you if I could recall it.

Mr. ADCOCK. Was anything said at that conversation about the construction of a hospital in conjunction with the State and the United States Government and certain gentlemen who might contribute money, like Mr. Reynolds and Mr. Patten and Mr. Armour?

Mr. FOSTER. You are referring now to the meeting in my office?

Mr. ADCOCK. Yes; to the meeting in your office.

Mr. FOSTER. No; there was nothing said. That was a very short meeting. I do not think that we talked there more than two or three minutes.

Mr. ADCOCK. Is your recollection to-day of that conversation better than it was when you gave the testimony to Maj. Stotesbury?

Mr. FOSTER. Well, I have been thinking it over a good deal. I think it is a trifle better as to certain points. You see, I had been working out on a building there, and I was called into this meeting. I did not expect to testify. I was called in and asked these questions, without giving them much thought, by Maj. Stotesbury.

Mr. ADCOCK. I see you were examined on two different occasions, were you not, by Maj. Stotesbury on this subject?

Mr. FOSTER. As I recall it, I was examined and then recalled one afternoon for a few moments.

Mr. ADCOCK. Yes. While you were being examined on this subject, Maj. Stotesbury called in Mr. Shank, did he not, and made a supplemental examination of him?

Mr. FOSTER. The way that I remember it now, that is just reversed. I think he was examining Mr. Shank, and called me. I may be mistaken on that.

Mr. ADCOCK. If the record shows it, that is right?

Mr. FOSTER. Yes; that may be.

Mr. ADCOCK. I can not go further with this witness now.

Senator HARDWICK. I guess we will have to excuse you until we get that report, and we will want you to-morrow afternoon.

Mr. FOSTER. Yes; that is all right.

(Thereupon, at 4.40 o'clock p. m., the subcommittee adjourned until to-morrow, Wednesday, January 29, 1919, at 10.30 o'clock a. m.)





# MILITARY HOSPITALS.

WEDNESDAY, JANUARY 29, 1919.

UNITED STATES SENATE,  
SUBCOMMITTEE ON PUBLIC BUILDING AND GROUNDS,  
*Washington, D. C.*

The subcommittee met, pursuant to adjournment, in the committee room in the Capitol at 10.30 o'clock a. m., Senator Thomas W. Hardwick (Acting Chairman), presiding.

Present: Senators Hardwick, Beckham, France, and Lenroot.

Senator HARDWICK. First, for the record—because it is on a very important subject—I want to read into the record a letter supplementary to the testimony of Col. Smith, of the Surgeon General's office, addressed to me. It is as follows:

WAR DEPARTMENT,  
OFFICE OF THE SURGEON GENERAL,  
*Washington, January 27, 1919.*

HON. THOMAS W. HARDWICK,  
*Chairman, Subcommittee on  
Public Buildings and Grounds.*

MY DEAR SENATOR: In my testimony before your committee investigating the existing facilities for hospitals and the need for additional facilities, you asked the question, "Why, if thousands of beds were vacant in Army hospitals, some of those hospitals could not be turned over to the Public Health Service." I tried to make clear that while we could not turn over entire hospitals, we could place the beds at the disposal of the Public Health Service, acting for the War Risk Insurance Bureau, if authority were granted to the War Department to admit discharged soldiers to Army hospitals.

I find that while authority would have to be granted for the treatment of discharged soldiers in Army hospitals if the cost of such treatment were to be chargeable against Army appropriation, on the other hand, authority already exists which enables the Surgeon General to admit discharged soldiers who are beneficiaries of the War Risk Bureau, provided the War Risk Bureau will authorize the admission and will reimburse the Army at the usual Government rate covered in Army Regulations. This rate would make the charge to the War Risk Bureau for each patient so treated a little less than \$1 per day in most cases and probably not exceeding \$1 per day in any case. The War Risk Bureau is cognizant that such an arrangement is possible and is agreeable to the Surgeon General, inasmuch as some patients have already been admitted under this arrangement.

I wish to make this point perfectly clear, as I did not bring it out in my testimony. All that is necessary in order for the War Risk Bureau to make use of the existing facilities of the Army hospitals is to arrange with the Surgeon General of the Army for the admission of discharged soldiers for treatment at Army rates, the expenses to be borne by the War Risk Bureau.

I trust this will make this point perfectly clear. I will add this to my testimony when revising the stenographic minutes.

For the Surgeon General:

WINFORD SMITH,  
*Colonel, Medical Corps, United States Army.*

## TESTIMONY OF ALBERT DE WOLF ERSKINE—Resumed.

Mr. BENNET. Mr. Erskine, you did not have anything from Mr. Hines except his naked assurance that he would back up this proposition, which assurance he has lived up to in every detail since then. Is that right?

Mr. ERSKINE. That is correct.

Mr. BENNET. So that you never had anything for which you gave any consideration and which could in the law be considered as an option; that is, that you could enforce in court?

Mr. ERSKINE. I did not.

Mr. BENNET. After we adjourned yesterday, did Maj. Holden and Mr. Tigchon recall a circumstance to your mind?

Mr. ERSKINE. May I make a short statement there? As I left the room, Maj. Holden and Mr. Tigshon very kindly suggested to me that I had made an error of recollection and wished to talk it over with me.

Mr. BENNET. I think I am a shorter talker than you are. They recalled your attention to the fact that on this trip out to Chicago you had told Mr. Tigchon that you had what you stated at that time was an option?

Mr. ERSKINE. Yes.

Mr. BENNET. And that prior to that or subsequently in Washington, you told Maj. Holden the same thing?

Mr. ERSKINE. I did.

Mr. BENNET. And that afterwards you went back to Maj. Holden and told him what you had had in your mind when you said you had an option; to-wit, this naked promise from Mr. Hines, which he subsequently carried out?

Mr. ERSKINE. Yes.

Senator HARDWICK. You say you told them you had an option. What did you mean by an option—that you personally had an option on the property for yourself?

Mr. ERSKINE. Mr. Tigchon and I came on the train from Washington to Chicago together, and we talked constantly all the way out. Mr. Tigchon was very insistent on knowing who the backers of the project were, and wanted to know what my financial responsibility was—whether I was backing the project myself—and I finally told him, to cut the conversation short, that I had an option on the property. I did not mean that at all in the way of having a written option or a verbal option. I had Mr. Hines's assurance that he would back this project fully. I repeated that to Maj. Holden when I got back; and on thinking it over I thought maybe I had given the wrong impression, and went to Maj. Holden and for the first time disclosed to him. I said: "Now, I think that to make this thing absolutely clear and right I must disclose to you the name of the real backer of this project, so that there will be no possible misunderstanding"; and I told him, in confidence, that Mr. Hines was the backer of the project.

Senator HARDWICK. Let me see if I understand that, so as to clear the atmosphere a little. You admit that you told these gentlemen that you had an option on this property?

Mr. ERSKINE. I do.

Senator HARDWICK. Did you mean to imply by that that you had what is ordinarily termed an option—that is, a right to purchase it yourself—or did you mean that that Mr. Hines had agreed that he would turn over this property to the Government for a hospital under the arrangement that you should make? Is that what you mean?

Mr. ERSKINE. That is what I understood.

Senator HARDWICK. But you think they misunderstood you?

Mr. ERSKINE. I think so, yes; and to correct that—

Senator HARDWICK. Is it true that you had any option which gave you any right to purchase the property at any price, or to make any deal in regard to it?

Mr. ERSKINE. I had none.

Senator HARDWICK. Is that what you are trying to get at?

Mr. BENNET. That is it exactly. Now then, just one more thing. It is possible that a portion of your testimony left on the minds of the committee yesterday—

Mr. ERSKINE. May I say just one more thing?

Mr. BENNET. Yes.

Mr. ERSKINE. Maj. Holden, after I told him what the facts were, very kindly went over and spoke to Col. Kelland, and I think to Mr. Hare, to clear up any possible misunderstanding.

Senator FRANCE. Mr. Erskine, how long had you been living in Washington when you first heard of this transaction?

Mr. ERSKINE. About six or seven months.

Senator FRANCE. Had you given up your residence in Chicago?

Mr. ERSKINE. No; I still have my residence in Chicago.

Senator FRANCE. Did you come here to engage in any business?

Mr. ERSKINE. I came here to look after the interests of my own concern, in which I am very much interested.

Senator FRANCE. What concern is that?

Mr. ERSKINE. The Interstate Iron & Steel Co. of Chicago.

Senator FRANCE. With reference to the sale of their products to the Government?

Mr. ERSKINE. No, but to advise them, just to keep tab on the situation. It was understood that I was not expected to have anything to do with the procurement of any contracts for them.

Senator FRANCE. Are you a director or officer in that company?

Mr. ERSKINE. No; I am not at present. I was one of the organizers of it, and have an appreciable interest in it.

Senator FRANCE. Are you connected with the sales department of that company?

Mr. ERSKINE. No.

Senator HARDWICK. Did you get a salary for that work?

Mr. ERSKINE. I did.

Senator HARDWICK. That was the occasion of your residence in Washington?

Mr. ERSKINE. That was; yes.

Senator FRANCE. I do not know that it is quite clear to my mind as to what you mean by "keeping tab on things" for the corporation.

Mr. ERSKINE. There were new rulings with regard to the steel industry coming out constantly, and there is a differentiation between the different kinds, the different classes of steel industries—

whether what they call the integrated companies or the nonintegrated companies; that is, I mean by integrated companies, steel plants that have their own blast-furnaces, their own ore properties, and things like that. We did not; and it is most important to follow the general developments along those lines.

Senator FRANCE. That is, your chief duties were to keep the corporation posted as to what changes in price on the part of the board?

Mr. ERSKINE. No; change in policy—not changes in price; changes in policy.

Senator HARDWICK. Do you mean on the part of the War Industries Board?

Mr. ERSKINE. Yes.

Mr. BENNET. I presume almost every steel company kept some one here for the same purpose.

Senator HARDWICK. Did the other companies have their representatives?

Mr. ERSKINE. Everybody did; yes.

Mr. BENNET. And it was deemed necessary by the steel companies to have a representative here for that purpose during the rush of the war work?

Mr. ERSKINE. It was necessary.

Mr. BENNET. All right. You know about it, and I do not.

Senator FRANCE. Did you have any special facilities for finding out concerning matters which might be of interest?

Mr. ERSKINE. No more than any one else, if as much.

Senator FRANCE. That is all I care to ask along that line.

Mr. BENNET. Some of your testimony yesterday may have left in the minds of the committee the impression that in your judgment it was unwise for you to associate with Mr. Hines, or that the project was injured by Mr. Hines, or something of that kind.

Mr. ADCOCK. I did not understand it that way, I thought the idea was, in the judgment of his friends.

Mr. BENNET. I am asking him.

Mr. ERSKINE. That was distinctly not the impression that I wanted to convey.

Mr. BENNET. What was it?

Mr. ERSKINE. If you will bear with me just a minute—on taking this matter up with Mr. Hines and having his assurance that he would carry it through I inquired as to Mr. Hines's reputation, and found that his reputation for business integrity was very high, and that his word was considered as good as his bond, and that was the reason that I was willing to go ahead and feel, when Mr. Hines told me that he would back the project to the limit, that it would be carried out; and when I went to Secretary Baker that was my feeling—that Mr. Hines would do everything he said he would do. I did not know Mr. Hines personally up to that time. Since that time I have grown to know him intimately; and I consider that there has been a lot of innuendo about Mr. Hines, a wrong impression created about Mr. Hines here, that is extremely unfair and extremely unjust.

Senator HARDWICK. I think we can say for the committee that we have not paid much attention to that sort of business. We are not trying Mr. Hines for anything. He seems to have made an offer to

the Government that had no profit in it for himself. His past conduct is not at issue in this thing.

Senator FRANCE. We all know here that if a man is not subjected to a certain amount of abuse by his fellow men he does not amount to anything.

Mr. ERSKINE. Senator, these three things are very evident to my mind: First, he gave his son for the country. In the next place, he has been a consistent purchaser of Liberty bonds, and my understanding is, somewhat up to two millions of Liberty bonds. I know the last purchase was a million dollars, because I heard him buy them. Lastly, he is credited with this proposition of giving not less than \$750,000 for the benefit of the Government and the soldiers, and if he repurchases the property he will give at least a million and a half to the City of Chicago for the benefit of the cripples and incapacitated there. That is pretty good evidence to me as to what his character is.

Mr. ADCOCK. Then you did not pay any attention to the statements of your friends that you mentioned yesterday that seemed to criticize you for going into this project with Mr. Hines.

Mr. ERSKINE. Just this much, Mr. Adcock, that I made a very careful investigation about him, and when I had made that investigation I was satisfied with Mr. Hines's reputation and his integrity as an honest backer for this project.

Mr. ADCOCK. So from then on you disregarded the statements of your friends?

Mr. ERSKINE. Absolutely; yes.

Mr. ADCOCK. Were you specially employed by the Interstate Iron & Steel Co.?

Mr. ERSKINE. I was.

Mr. ADCOCK. To keep tab down here?

Mr. ERSKINE. I was.

Mr. ADCOCK. I understood you had no official position.

Mr. ERSKINE. No; I have none.

Mr. ADCOCK. You were specially employed to come down here and look after their interests?

Mr. ERSKINE. I was.

Mr. ADCOCK. Have you any correspondence or papers between you and Mr. Hines, Mr. Shank, Mr. Newman, or Mr. Poppenhusen?

Mr. ERSKINE. I think not.

Mr. ADCOCK. None whatever—no copies of any letters or telegrams that were sent them?

Mr. ERSKINE. I must have letters, and there was a correspondence going on. I suppose I must have letters and telegrams. Whether I have been accurate in keeping copies of them or not, I am not sure.

Mr. ADCOCK. In your talk with Maj. Holden or Mr. John Tigchon about this option, did you mention any sum of money as the amount of the option?

Mr. ERSKINE. \$1,250,000.

Mr. ADCOCK. You say you have not any written contract in the nature of an option or a letter or anything like that?

Mr. ERSKINE. I have nothing of the kind.

Mr. ADCOCK. And when you referred to the fact that you had an option, you merely meant a verbal conversation or statement that Mr. Hines had made to you?

Mr. ERSKINE. That is what I meant.

Mr. ADCOCK. Did you have any conversation with Maj. Holden or Mr. Tigchon to the effect that you would bring to them a copy of the option?

Mr. ERSKINE. I may have done so.

Mr. ADCOCK. Then you must have had in mind, when you spoke of the option, that it was a written option; did you not? You could not copy a verbal agreement.

Mr. ERSKINE. I knew there was none.

Mr. ADCOCK. Why did you say to Maj. Holden and Mr. Tigchon that you would bring to them the next day a copy of an option?

Mr. ERSKINE. Mr. Tigchon was very insistent on knowing what right I had to say that this project would be carried through. I told him that a group of Chicago men in whom I had absolute confidence were going to carry it through. The conversation lasted all day; Mr. Tigchon was very searching, and I made the statement to that effect to Mr. Tigchon to stop the conversation.

Mr. ADCOCK. In other words, you just told him that you would bring a copy of the option to him the next day in order to stop the conversation?

Mr. ERSKINE. I am not sure that I said that. I know I mentioned an option, because Mr. Tigchon and Maj. Holden refreshed my memory to that effect.

Mr. ADCOCK. What is your recollection now with reference to that, after having talked with Mr. Tigchon and Maj. Holden, as to whether you stated that you had an option or not?

Mr. ERSKINE. I know that I did not have an option.

Mr. ADCOCK. Well, as to whether you stated then that you had an option?

Mr. ERSKINE. I think I did.

Mr. ADCOCK. And that you would bring to them the option the next day, a copy of it?

Mr. ERSKINE. Of that I am not sure. I know that I had this in mind—that I may have given a wrong impression; and I went to Maj. Holden and went over the matter very carefully with him, so that there would not be any wrong impression.

Mr. ADCOCK. You knew that Mr. Tigchon was appointed or directed by the department to make an investigation as to the value of this land, etc.?

Mr. ERSKINE. Yes.

Mr. ADCOCK. And that if there were an option on it, as an officer of the Government he would want to know and inquire into that; did you not?

Mr. ERSKINE. Well, I knew that he was going to make an investigation to find out what the value of the property was.

Mr. ADCOCK. You knew that he did make an investigation, because you accompanied him to Chicago?

Mr. ERSKINE. You asked me if I knew what he was going to do, and I said that I knew he was going to, and I know that he did.

Mr. ADCOCK. And that at the time these conversations were had he was making an investigation; was he not?

Mr. ERSKINE. Yes.

Mr. ADCOCK. It seems to me, Mr. Chairman, that the witness ought to be directed to bring all the papers and correspondence that he has with any one with reference to this matter.

Senator HARDWICK. I think that is all right.

Mr. ERSKINE. I shall be very glad to do so.

Mr. ADCOCK. I think that is all.

Senator HARDWICK. Why did you mention \$1,250,000 as the amount?

Mr. ERSKINE. Because the first time I went to Mr. Hines and talked with him about this Speedway property, the question of the value of the property was discussed between him and me, and he said that he had put it in the hands of real estate agents at \$1,250,000; and this was when I was trying to convince Mr. Hines that he should be the backer of the project.

Senator HARDWICK. That was where you got that figure?

Mr. ERSKINE. Yes; and I told him at that time: "I think it would be a splendid thing for you to do, Mr. Hines; but if you will not do it, I am going to try to interest the same men who were interested in this Cub ball park hospital."

Senator HARDWICK. All right.

Mr. ADCOCK. I should like to ask a few more questions. When did you first talk to Mr. Poppenhusen about this matter?

Mr. ERSKINE. I think some time in June.

Mr. BENNET. 1918?

Mr. ERSKINE. Yes.

Mr. ADCOCK. Will you state to the committee the conversations you had with Mr. Poppenhusen about this, and the time; and I will ask you if the first conversations you had were not some time in May, 1918?

Mr. ERSKINE. I can not say definitely about that, Mr. Adcock. I was seeing Mr. Poppenhusen and Mr. Newman—who was the counsel for the Interstate Iron & Steel Co.—quite regularly. I was very much interested in these hospital matters, and I certainly talked to them about hospital matters before I had any idea of the Speedway project in my mind at all. So as to bring it down to an exact date, when I first spoke about the Speedway, I am not sure until the date of July 2, when Mr. Newman asked me to come to his office to hear Mr. Trainer state what the situation was in Washington with regard to hospitals, as far as Mr. Trainer knew, of course.

Mr. ADCOCK. And you also discussed at that time the method of presenting a matter of this kind to the Government; did you not?

Mr. ERSKINE. I think there was very little discussion. Mr. Trainer talked a great deal, and I know I was trying to catch a train to go up to my place that night at 6 o'clock. I doubt it.

Mr. ADCOCK. Mr. Hodge was there, too, was he not?

Mr. ERSKINE. That is my recollection, as I stated yesterday.

Mr. ADCOCK. And he was then with the real estate section of the Government?

Mr. ERSKINE. Yes.

Mr. ADCOCK. You devoted practically all your time to this project, did you not, from about the 1st of May on?

Mr. ERSKINE. No; I did not.



Mr. ADCOCK. What other business did you transact from the 1st of May until some time in the fall?

Mr. ERSKINE. I have stated that I have been here constantly as the representative of the Interstate Iron & Steel Co.

Mr. ADCOCK. When did your work or engagement with the Interstate Iron & Steel Co. cease?

Mr. ERSKINE. On the 31st day of December, 1918.

Mr. ADCOCK. So that the hospital matter and the Interstate Iron & Steel Co. business were the only things you did here?

Mr. ERSKINE. Yes.

Mr. ADCOCK. Did you ever represent yourself, or do you know whether you were represented, as the representative of the owners of the speedway project in this transaction with the Government?

Mr. ERSKINE. I did not catch your question.

Mr. ADCOCK. Did you ever represent yourself as the representative, or do you know whether Mr. Newman or Mr. Poppenhusen stated that you were the representative, of this project at Washington?

Mr. ERSKINE. I certainly felt that I had induced Mr. Hines to go into it, and I certainly felt that it was my duty to do the most I could to advance the project.

Mr. ADCOCK. Did you ever have any conversation on this matter with Mr. Richard S. Folsom, the lawyer, of Chicago?

Mr. ERSKINE. I have seen Folsom a number of times. I have known him for years, and I met him around Washington, and told him what I was interested in.

Mr. ADCOCK. Did you interest him in the matter; get him to do anything in connection with it?

Mr. ERSKINE. I did not.

Mr. ADCOCK. Do you know who did?

Mr. ERSKINE. I do not.

Mr. ADCOCK. Do you know whether he, as an attorney, represented anyone in this matter?

Mr. ERSKINE. I do not.

Mr. ADCOCK. I recollect that Mr. Newman stated that Mr. Folsom was present at a conversation at Mr. Hare's office. Were you there?

Mr. ERSKINE. I was not there. I have been trying to listen to the testimony, and I think there was some statement of that kind made. I am not sure.

Mr. ADCOCK. Were you present at a conversation in Mr. Hare's office when Mr. Newman and Mr. Folsom were present, and perhaps others?

Mr. ERSKINE. No.

Mr. ADCOCK. You were not there. Were you present at any conversation with any representative or officer of the Government when Mr. Folsom was present?

Mr. ERSKINE. No.

Mr. ADCOCK. So you do not know what connection Mr. Folsom had with this matter?

Mr. ERSKINE. I do not.

Mr. ADCOCK. I think that is all.

Mr. BENNET. Is your interest in the Interstate Steel Co. a large stock interest?

Mr. ERSKINE. I think it could be considered so; yes.

fr. BENNET. That is all.

fr. ADCOCK. Mr. Chairman, Mr. Tigchon, and Maj. Holden are all with the department, and their testimony will be taken along this line, and they want to get away.

fr. BENNET. That is perfectly satisfactory. I was going to suggest that they be examined now.

Senator HARDWICK. All right; let us have them.

#### TESTIMONY OF MR. JAMES S. HOLDEN.

The witness was sworn by the chairman.)

fr. ADCOCK. What is your full name?

fr. HOLDEN. James S. Holden.

fr. ADCOCK. Were you connected in any way with the Government?

fr. HOLDEN. Since June I was in charge of the real estate section of the Purchase, Storage, and Traffic Division, General Staff.

fr. ADCOCK. How long were you in that position?

fr. HOLDEN. From June until the 14th of December. Previous to that time I was in the Signal Corps. I had been in the Government service since August, 1917.

fr. ADCOCK. You had a commission in the Army?

fr. HOLDEN. Yes; I was a major.

fr. ADCOCK. Do you know Mr. Trainer?

fr. HOLDEN. Yes, sir.

fr. ADCOCK. When did he enter the service, if you remember?

fr. HOLDEN. We asked Mr. Trainer to do some informal work for the Government. He went down to Hot Springs, Ark., which I would have said was in the latter part of June. He then came on to Washington, after he had completed that service, and I recommended his appointment the 15th of July. I have looked this up to refresh my memory; and the appointment was confirmed by the Acting Secretary of War, Mr. Scofield, on July 21, I think it is. I had a memorandum dated July 22, the appointment was taken, and there is a note on the form that the oath was taken. It does not say when it was, but July was when he was formally appointed.

Senator HARDWICK. What was the date that you sent him to Hot Springs?

fr. HOLDEN. We organized this department, Senator, and we were very short of men. All the real-estate business was thrown upon me and there was a proposition to buy the Hot Springs Hotel, at Hot Springs, Ark., and the Director of Operations requested that we make an investigation of it.

Senator HARDWICK. I do not care for the details. I say, what date was that?

fr. HOLDEN. That was the latter part of June some time. The way I happened to get in touch with Mr. Trainer was this: Mr. Hodge, who was in charge of storage under me, knew Mr. Trainer very well, and said that he would like to come on to Washington and work, and had to make an immediate investigation of this Hot Springs Hotel, and—

Senator HARDWICK. And you sent him over there first?

fr. HOLDEN. We sent him down there; yes.

Senator FRANCE. You were the head of the Purchasing Division of Purchase, Storage, and Traffic Division?

Mr. HOLDEN. The real-estate section, Senator.

Senator FRANCE. What was this new department called which you organized?

Mr. HOLDEN. The real-estate section. Previous to that time—

Senator FRANCE. The real-estate section?

Mr. HOLDEN. The real-estate section of the Purchase, Storage, and Traffic Division, General Staff; and previous to that time I might state that all the different corps of the Army made their own real-estate deals, and the Secretary of War thought it ought to be handled in one place, by trained men. That was the purpose of the establishment of the department; so the real-estate activities of the Army were all centered in this department.

Senator FRANCE. What was this new department called? You were the head—

Mr. HOLDEN. Of the real-estate section.

Senator FRANCE. What was the new department?

Mr. HOLDEN. That was the new department, Senator.

Senator FRANCE. And you resigned and Mr. Trainer was put at the head?

Mr. HOLDEN. Oh, no; Mr. Trainer was working under me, just as a member of the personnel. We had a personnel of about 100.

Senator FRANCE. What was his position called?

Mr. HOLDEN. He was technically called a real-estate expert. When we got our little office organization up, we assigned the work according to the different corps, and Mr. Trainer was put in the hospital division in our office at that time, though at the beginning he worked on various other projects. We had to take them from one to the other. We did not have our organization, our personnel, up.

Senator FRANCE. We understood from the testimony given the other day that Mr. Trainer worked with two other gentlemen in selecting sites in the West—

Mr. HOLDEN. Senator, if I might explain that, you are getting ahead a little.

Senator FRANCE (continuing). And that there were three gentlemen in the East. Now, you say he was an expert. Was this a commission of experts? We want to find out what Mr. Trainer's duties were, and what his office was called, and who were associated with him.

Mr. HOLDEN. Your question indicates that you are a little ahead of the story. He came down here as a real-estate expert. There had been a great deal of trouble with the medical—

Senator FRANCE. Go back and tell the whole story from the beginning.

Senator LENROOT. Tell us, if you please, just what his status was from his very first entry into your service.

Mr. HOLDEN. All right. I told him to go to Hot Springs, when he had no status at all.

Senator LENROOT. What was his status then?

Mr. HOLDEN. None at all. He went just as a volunteer to make an investigation as to the probable value of this hotel.

Senator LENROOT. Did you pay his expenses?

Mr. HOLDEN. The Government finally did.

Senator FRANCE. Were you responsible for Mr. Trainer becoming connected with the Government?

Mr. HOLDEN. Yes, sir.

Senator FRANCE. Then go back and tell from the beginning your knowledge of Mr. Trainer, when you first heard of him, how you had been associated together in business, if you were associated, and the whole story as to your knowledge of him and of his work, and how he became connected with the Government.

Mr. HOLDEN. All right; I will try to do that, Senator. Mr. Trainer had told Mr. Hodge, who was associated with me, that he was desirous of coming down here to do Government work. We had an immediate question of getting an appraisal of the Hot Springs Hotel. He went down on that and made his report.

Senator FRANCE. You are not telling us anything about what we want you to tell. We want you to go back to your residence in Chicago——

Mr. HOLDEN. My residence is not in Chicago, Senator. My home is in Detroit, and I never heard of Mr. Trainer until——

Senator FRANCE. What we want to know is when and how you heard of him.

Mr. HOLDEN. All right. I heard of him through Mr. Hodge.

Senator FRANCE. Who is Mr. Hodge?

Mr. HOLDEN. Mr. Hodge is a resident of Chicago, and was in this division with me.

Senator FRANCE. What was his work in your division?

Mr. HOLDEN. He was in charge of the storage part of the work.

Senator FRANCE. How did he become connected with it?

Mr. HOLDEN. There had been a little real estate department started under the director of storage; I was in charge of the Signal Corps real estate, and the idea was to gather all the real estate corps of the Army in one place. As a matter of fact, the Signal Corps and the director of storage were the only people that had any real estate work, and they were made the nucleus of the larger organization. Now, I will try to get the steps of the matter for you.

Senator LENROOT. Will you not go back, please? We want the full details of your connection with Mr. Trainer. You say he was sent to Hot Springs. Was that by correspondence?

Mr. HOLDEN. No; that was by telephone. Mr. Hodge communicated with him by telephone.

Senator LENROOT. You knew nothing about it?

Mr. HOLDEN. Yes; I knew the details of it.

Senator LENROOT. What was the communication?

Mr. HOLDEN. The communication was to go down and appraise the Hot Springs hotel for us.

Senator FRANCE. Before he was appointed?

Mr. HOLDEN. Before he was appointed; yes, sir.

Senator LENROOT. As representing the Government?

Mr. HOLDEN. As representing the Government.

Senator FRANCE. Was that the way you were conducting the Government business—telephoning a man to go down to make an appraisal for the Government when you knew nothing about him, and when he had no official connection with the Government?

Mr. HOLDEN. Senator France, at that time we were terribly pressed with work, and we would do that quite frequently. We would get appraisals from real-estate boards throughout the

country; we would wire down there and ask them to give us a line on the value of the property, so as to make an appraisal under local conditions; and we asked Mr. Trainer to go down there and give us an idea as to the value of this property.

Senator FRANCE. You appointed him?

Mr. HOLDEN. I appointed him.

Senator FRANCE. You appointed him on Mr. Hodge's recommendation?

Mr. HOLDEN. I was leading up to that, sir. I wanted to get a line on every man that came into the division, to be very careful as to their character, and all that. I had heard that Mr. Trainer had had some previous dealings in the Assistant Secretary of War's office. I went over to Col. Richards—

Senator FRANCE. Develop that point.

Mr. HOLDEN. I am going to develop it.

Senator LENROOT. It would be very much better if the witness would carry us along with Mr. Trainer up to the time of his getting this appointment.

Mr. HOLDEN. I am doing that—trying to do that. I am attempting to bring out these things, and I am telling you why I went to Mr. Richards. I went to him and asked him if he knew Mr. Trainer. He said yes, he had met him, and was very favorably impressed, but he said: "I will get a recommendation for you, or an opinion, from a man who will absolutely satisfy you." He said: "I will telegraph Mr. George Reynolds personally, whom I know very well." And Col. Richards did that, and Mr. George Reynolds sent a telegram, which is in the files of the office, indorsing Mr. Trainer in the highest degree, saying he was a man of the utmost integrity, and had transacted his business for 20 years, and that he would be glad to see him entrusted with any business that was given to him; and on that recommendation I put in a recommendation for his appointment.

Senator LENROOT. Now, will you, please, go back? You sent Mr. Trainer to Hot Springs?

Mr. HOLDEN. Yes, sir.

Senator LENROOT. As representing the Government?

Mr. HOLDEN. Yes, sir.

Senator LENROOT. Now, what was the next connection with Mr. Trainer?

Mr. HOLDEN. No other connection, Senator.

Senator LENROOT. Did he go back home?

Mr. HOLDEN. He went back to Chicago, and then he came back here and reported for duty.

Senator LENROOT. When?

Mr. HOLDEN. That was early, about the 6th of July—the 6th or 7th of July, I should think.

Senator LENROOT. And was he then on duty from there on until the time he received his appointment?

Mr. HOLDEN. Yes.

Senator FRANCE. What was his duty with the Secretary of War?

Mr. HOLDEN. I will continue, sir, about this commission. In dividing our office into little groups, one looked after the ordnance real estate, the other the hospitals, etc. In September the hospital situation got very desperate. We had a great deal of trouble with the medical men. There had been a good deal of criticism on some of the

leases that had been made; as you perhaps recall, the Cape May Hotel, etc. The Secretary then appointed two commissions to go out, and gave them power to negotiate leases for hospitals—just leases. The commission was composed of a real estate man, a member of the Construction Division, and a member of the Surety General's office; and that is where Mr. Trainer was appointed, as representing our office. We named Mr. Trainer on one commission and Capt. Rush on another; and those two commissions, composed of those three men, went around and leased a lot of buildings for hospital purposes; but that was afterwards, and incidental. His duties continued in our office, and we were asked by the Secretary of War to name a representative on these hospital commissions.

Senator FRANCE. Did this commission have power to enter into a lease and bind the Government?

Mr. HOLDEN. Yes, sir.

Senator FRANCE. Without any revision of their action by higher authorities?

Mr. HOLDEN. Yes, sir. That was the Secretary of War's order.

Senator FRANCE. You can not tell us anything with reference to how Mr. Trainer first came to be employed by the Government—that is to say, so far as his employment by the Secretary of War is concerned?

Mr. HOLDEN. Oh, Senator, I think there is some confusion existing in your mind. The Secretary of War did not employ him. He came down in July. It was understood that he was to be connected with this division, and he came down and reported for duty.

Senator FRANCE. But you said that before that time he had been doing something for the Secretary of War.

Mr. HOLDEN. No; I said that he had had some dealings in the Secretary of War's office.

Senator FRANCE. Well, that is it. Now, what were the dealings? What was his connection with it?

Mr. HOLDEN. I can give this only from hearsay. There had been some dispute about a building in Chicago in which he was interested, which the Central Department had moved out of. That was where he was not representing the Government; he was representing the building company.

Senator FRANCE. In other words, he was carrying on a deal, trying to interest the Government in some property in which he was interested?

Mr. HOLDEN. No; I understand not. I understand it was a question about the Government vacating some property, and there was a dispute as to the lease. It was before our division was formed.

Senator FRANCE. He was representing the owners of the property?

Mr. HOLDEN. I understand so; yes.

Senator FRANCE. And he had come to Washington to see the Secretary of War in the interest of the owners of the property?

Mr. HOLDEN. Yes; that is, as I understood, how they became acquainted with Mr. Trainer.

Senator HARDWICK. You said his first work for the Government was at Hot Springs. Did you have any trouble with that project?

Mr. HOLDEN. If you wish my honest opinion as to the project, they were trying to unload an old hotel on the Government. They wanted to put it in at \$650,000, and Mr. Trainer wired back very

much against it. He said it was a fire trap, and he said if the Government took it at all, it would be at \$410,000; and there was a good deal of an effort made by other people to get it sold, and finally the Surgeon General withdrew the request.

Senator FRANCE. Was not the property purchased?

Mr. HOLDEN. It was not purchased at all; no, sir.

Senator FRANCE. No property in that section was purchased?

Mr. HOLDEN. No; nothing was done.

Senator BECKHAM. The Hot Springs proposition was turned down upon Mr. Trainer's report, was it?

Mr. HOLDEN. No. We made a recommendation, you see. All we were supposed to do, Senator, was to pass on the business end of it. I made a recommendation stating that our appraisal was \$410,000, and I also stated that it was not a fireproof building, and then I think the Surgeon General began to think it was not a good deal, and he withdrew the request, and that took it out of everybody's consideration.

I think I might state here, perhaps to the interest of Senators, just what we were supposed to do. The departments wanting real estate would put in their requests to us, stating about what they wanted and what would be the probable cost, and we would investigate it purely from the business end of it, whether it was a good proposition or not for the Government. It was not up to us to say. We would put in a valuation that we had appraised it at, and the Director of Operations and the Secretary of War would then pass upon it with this recommendation of ours in front of them as to the value. They should decide themselves whether the department should or should not have it.

Senator FRANCE. Did a Mr. Shannon, of Washington, have anything to do with the real estate department?

Mr. HOLDEN. No; he was in the Housing Bureau, I understand, Senator. That is another thing altogether.

Senator FRANCE. He stated, if I recall correctly, before this committee, that he was the head of the real estate purchasing division for the Government.

Mr. HOLDEN. Well, that is in the Housing Bureau, you see. Of course this was in the War Department. The Housing Bureau—he is in charge of all that.

Senator FRANCE. You had no relationship whatever to Mr. Shannon and his real estate board?

Mr. HOLDEN. None at all; no.

Mr. ADCOCK. And, as I understand, this Hot Springs matter was simply a special request made on Mr. Trainer to specially investigate that.

Mr. HOLDEN. Yes.

Mr. ADCOCK. Not in connection with any regular duties for the Government?

Mr. HOLDEN. No; not at all—just to give us an appraisal as to what he considered was a fair value for the property.

Mr. ADCOCK. Do you remember the name of the hotel?

Mr. HOLDEN. I think it was the Eastman Hotel.

Senator FRANCE. Did Mr. Trainer make a report in writing adversely to that proposition there, against the purchase of it?

Mr. HOLDEN. Why, he just stated—I think he did—he just stated in there that he gave the value at \$410,000 when they wanted \$650,000 for it. It was recommended at that, and he stated that it was a nonfireproof hotel, and 25 years old, and he considered it to be a very bad buy for the Government; that if they needed additional hospital facilities it would be better to build them; and the town was anxious to get the Government to take it, because there was a new hotel to be built if those fellows succeeded in selling it.

Senator LENROOT. Have you any correspondence with Mr. Trainer in your department that has not been produced?

Mr. HOLDEN. Senator, you know he was with us, one of our most active men, for five or six months, and you see there would be dozens of deals, and we keep the files according to the different projects. For instance, he went to New York, to the Grand Central Palace. There would be correspondence right along, all through the files, sir.

Senator LENROOT. I want the correspondence prior to the time of his appointment and his first connection with the office.

Mr. HOLDEN. I can not say, but the only one that I would have would be the Eastman Hotel. That is the only thing that he ever did for us—just that one.

Senator LENROOT. Have you any correspondence with reference to his coming on here after his service at Hot Springs?

Mr. HOLDEN. I do not think there is anything, sir. I could ascertain that for you.

Senator LENROOT. I should be very glad if you would produce anything that you have with Mr. Trainer prior to the 15th of July.

Mr. HOLDEN. I will endeavor to locate that for you.

Mr. ADCOCK. You do not remember the exact day Mr. Trainer came to Washington to report for duty?

Mr. HOLDEN. No; I do not. It was after the 4th of July. I do not remember exactly.

Mr. ADCOCK. It might have been the 12th?

Mr. HOLDEN. I am rather inclined to think it was possibly about that time, because I notice that I recommended his appointment to the executive officer on the 13th of July. I requested his appointment then, so I suppose it was nearer that time than the 6th.

Mr. ADCOCK. What was the first thing that Mr. Trainer did after he entered the service?

Mr. HOLDEN. I think about the first that he did, just going purely by recollection, I think I sent him down to Toledo, where the Government was going to put a big plant, and then to Grand Rapids.

Senator LENROOT. What do you recollect about his service beginning at the above date?

Mr. HOLDEN. I suppose, strictly speaking, that he had not entered the service until the 22d of July.

Senator LENROOT. Is that the way you are asking the question?

Mr. HOLDEN. I suppose so.

Senator LENROOT. I just wanted to know how Mr. Adcock was asking his question.

Mr. ADCOCK. Or whenever he reported for duty.

Senator LENROOT. Whenever he reported, or took the oath, so that he had an official status; which do you mean?



Mr. ADCOCK. Well, I mean, I presume he did not have any official position until he took the oath of office.

Senator LENROOT. I just wanted to know what you meant by your question.

Mr. HOLDEN. From a moral standpoint, when he reported, the 11th or 12th of July, whenever it was, and devoted his time to the Government, is when he entered the service.

Senator HARDWICK. That is utterly immaterial, from my point of view. Suppose Mr. Trainer was sent to Little Rock the 22d of June and expected from that time on to become connected with this real estate bureau, and then he sought, with that knowledge in his possession, to secure money for his future action in the Government service, the moral and legal status of the action would be exactly the same.

Mr. ADCOCK. I am not going into that at all. All I am trying to do is to bring out from the witness what Mr. Trainer did for the Government under his charge. As I understand it, before he came to Washington he had one assignment; that is, he went to Hot Springs on a special matter. Then I am trying to bring the story along to see what was done from then on.

Senator LENROOT. I was interested merely in knowing whether your phrase "entering the service" meant from the time he had an official status, or from the time he did anything for the Government.

Mr. ADCOCK. So that there may be no question about that, I will ask him this question: What was done by Mr. Trainer, what did he do after he came to Washington on the 12th of July and after he had completed his investigation of the Hot Springs matter?

Mr. HOLDEN. I am answering to the best of my recollection. We had about 200 propositions immediately thrown at us, and with the limited personnel everybody went right at things and did whatever came up; and the first thing that I can bring to mind that he did was this Toledo and Grand Rapids work.

Mr. ADCOCK. Do you remember any other work that he did?

Mr. HOLDEN. Throughout his entire service?

Mr. ADCOCK. Yes.

Mr. HOLDEN. Oh, yes; I can remember dozens of cases.

Senator HARDWICK. Perhaps we can shorten this a little. We do not care what he did.

Mr. ADCOCK. Did you have opportunity to observe Mr. Trainer's work?

Mr. HOLDEN. Yes, sir.

Mr. ADCOCK. What was the character of Mr. Trainer's services?

Mr. HOLDEN. Excellent. He was one of my best men.

Mr. ADCOCK. Was there anything in connection with his work that would cause you to think—that would cast any reflection upon his integrity or honesty?

Mr. HOLDEN. Not the least bit.

Senator FRANCE. Have you any idea as to how many leases were signed by this commission, binding the Government, and the aggregate amount of the rentals?

Mr. HOLDEN. I could give it to you, but the situation is this, about both these commissions. They went out about the time of the signing of the armistice, or before the armistice, and when the armistice was

declared they turned around and canceled nearly every one of these leases they had made. I think there is only one that Mr. Trainer's commission made, outside of that for the Field Museum, which I understand is to be canceled; that for the West Baden Springs Hotel.

Senator FRANCE. Where is that?

Mr. HOLDEN. At French Lick Springs, Ind. I think that is about the biggest one.

Senator FRANCE. In other words, they only leased two properties?

Mr. HOLDEN. I think that is all, in his commission. They had made arrangements for more. They had taken the Ford Building at Des Moines, Iowa, and taken the Ford Building at Milwaukee, and there was another in Chicago, the Cooper-Monotah apartment building.

Senator FRANCE. Do you recall what the lease price was to be on that?

Mr. HOLDEN. I would prefer not to give my recollection on that. I will bring up a memorandum for you on it, if I can dig it up. There is a vast multitude of figures there.

Mr. ADCOCK. What was the authority of your section with reference to acquiring property for the Government, either for storage or for hospitals; the work that Mr. Trainer had?

Mr. HOLDEN. We had, under our set-up, no authority to purchase any property. The way that the money was, it was in all the different corps, and so the order was that we should conduct the negotiations and prepare the papers, and we would go out and appraise the property and get an appraisal and make our recommendation as to its value, and submit that direct to the Director of Operations, and the Director of Operations would approve it, and pass it on to the Secretary's office, and it would receive his approval and be sent back to us, and we would go over and prepare the papers, and if it was an ordnance order we would take it to the ordnance, and they would prepare a copy and put it in their files, and they did all the disbursing, and followed it through the regular Government channels.

Mr. ADCOCK. Take, for instance, a hospital project; would your department have anything to do with the selection of the site?

Mr. HOLDEN. Nothing at all. That all had to come from the corps itself. We did not originate any proposition of the selection at all. It came from the corps.

Mr. ADCOCK. And you were merely directed to make a report upon the valuation of the property and as to the value of the property?

Mr. HOLDEN. And conduct the negotiations.

Mr. ADCOCK. And conduct the negotiations?

Mr. HOLDEN. And if we could not get it for what was a fair price, it would be our duty to instigate condemnation or requisition proceedings.

Senator FRANCE. In other words, you say the medical course selected the site?

Mr. HOLDEN. Yes.

Senator FRANCE. They selected, then, the Field Museum?

Mr. HOLDEN. I want to make this little distinction, Senator—

Senator FRANCE. And then this commission merely executed a lease which it thought would be favorable to the Government?

Mr. HOLDEN. No, sir; there is just one distinction. I will have to ask you to bear this in mind. You see, this commission was a different

thing. I am speaking about our regular set-up. This commission has the power to go and, with the signatures of these three men, to bind the Government.

Senator HARDWICK. They had authority to lease a tract for hospital purposes?

Mr. HOLDEN. To lease a tract for hospital purposes. That only applied in regard to those two commissions that were sent out for special purposes. The hospital situation got so desperate that the Secretary of War, I think, was afraid that a lot of wounded men would be sent here and we would not have facilities, and he waived the usual requirements.

Senator FRANCE. Now, you are saying that the Medical Corps did not select these sites, and this commission did select them?

Mr. HOLDEN. This commission was composed of the representative or highest official of the Surgeon General's office, the theory being that he would pass upon a building for hospital purposes, and a representative of the construction department, the idea being that he would figure how much it would cost to adapt the building for the use of the Medical Corps as a hospital, and the real estate man, who would say what was a fair value for it.

Senator HARDWICK. While it was true that under the medical departmental routine, the real estate section did not select the site or have anything to do with it, yet the decision or recommendation of the real estate board as to the value formed a very important element?

Mr. HOLDEN. Oh, it did, sir.

Senator HARDWICK. In the determination by all these coordinated authorities?

Mr. HOLDEN. Absolutely.

Senator HARDWICK. And determined many of these projects, as to whether they would be accepted or not?

Mr. HOLDEN. It did, sir.

Senator HARDWICK. I mean, it had its weight in that?

Mr. HOLDEN. Yes. In the project, though, we had the power with regard to everything except hospitals, and you afterwards gave us that by a law, to requisition or condemn, and if they would not sell it or give it for what we considered was a fair price, it was up to us to instigate proceedings to determine a fair value of the property.

Senator HARDWICK. I should say, in the requisitioning of hospitals, the recommendation of your real estate section as to what it was worth would have a very great effect in determining the decision of all these officials, however.

Mr. HOLDEN. Except that if they found a very desirable site for what we would say was a right price, or a business price, I do not think they would let that stand much in the way of acquiring it. The idea was for us to try to bring in and use as much business judgment as we could to get what the department was after.

We had a great deal of trouble with the Medical Corps. They would go out and pick out a site and pay no attention to the business side of it all, and sign agreements without any notice whatever. In one case there was an agreement signed for \$521,000, which figure was entirely too much.

Senator FRANCE. Where was that?

Mr. HOLDEN. In New York city.

Senator FRANCE. Who was on that commission?

Mr. HOLDEN. There was no commission there, at all. Col. Hornsby went up to New York; and that was one of the reasons for creating these commissions. He went to New York and took the Crystal Palace and signed a lease for it.

Senator FRANCE. What division is he in?

Mr. HOLDEN. He has nothing to do with us. He is in the Surgeon General's office. He went and signed an agreement for \$520,000, and that was turned over to us, and that was totally out of the way.

Senator FRANCE. It was too much?

Mr. HOLDEN. Too much.

Senator FRANCE. That was an old, abandoned building, which was a losing proposition to the owners of it, and they had been unable to do anything with it for some time; and it was leased to the Government for too much?

Mr. HOLDEN. I am leading up to that. Col. Hornsby set that figure at \$521,000, which was too much. I think you are overstating it a little, about its being an old, abandoned building.

Senator FRANCE. I am not overstating it. I am asking you the question.

Mr. HOLDEN. Pardon me, sir; I thought you were stating it as a fact.

Senator FRANCE. Was it not an old building?

Mr. HOLDEN. No, it is a fine, fireproof building, and it was not that, but the amount, \$521,000, was entirely out of the way for it.

Senator FRANCE. Was it being profitably rented at that time?

Mr. HOLDEN. Reasonably so. It is my recollection that it was bringing them somewhere about \$300,000 to \$400,000. They raised the price on it, to the Government.

Senator FRANCE. They did?

Mr. HOLDEN. Yes.

Senator FRANCE. And this lease was recommended by whom?

Mr. HOLDEN. Col. Hornsby, who put in the requisition, was our witness, and he stated he could get that property for \$521,000. When we came to look into it, we found that it was a totally unfair price.

Senator FRANCE. Did Mr. Trainer have anything to do with it?

Mr. HOLDEN. Yes, I am going to lead up to that. When that price came up to us, \$521,000, I sent Trainer to New York, and he wrestled with those men for a long time, and got them down to \$394,000, which was a reasonable price for it.

Mr. ADCOCK. Did your division have anything to do with the rental of the Greenhut building?

Mr. HOLDEN. No, sir; that was done before we came into existence.

Mr. ADCOCK. Who did that?

Mr. HOLDEN. The medical people.

Mr. ADCOCK. Do you know who did that?

Mr. HOLDEN. No; but I think it was Col. Hornsby.

Mr. ADCOCK. What was his official relation to that?

Mr. HOLDEN. He was originally a colonel of the Medical Corps, and was in the hospital division.

Mr. ADCOCK. When was this Grand Central Palace lease taken up by Col. Hornsby?

Mr. HOLDEN. I should say it was in July.

Mr. ADCOCK. And that was one of the things that Mr. Trainer did after July 12?

Mr. HOLDEN. Yes.

Mr. ADCOCK. Or when he came to Washington?

Mr. HOLDEN. Yes.

Mr. ADCOCK. Do you remember when he took that matter up?

Mr. HOLDEN. I should say it was in the latter part of August.

Mr. ADCOCK. Did you say in August?

Mr. HOLDEN. I think so; in August.

Mr. ADCOCK. These commissions with reference to acquiring hospitals were not organized or appointed until some time in September?

Mr. HOLDEN. My recollection is, the latter part of September.

Mr. ADCOCK. And that was entirely separate from your department?

Mr. HOLDEN. Absolutely. We had a representative on there, but we had no power of reviewing their actions.

Mr. ADCOCK. The Secretary of War appointed that commission?

Mr. HOLDEN. He did.

Mr. ADCOCK. Or those commissions?

Mr. HOLDEN. Yes.

Mr. ADCOCK. Did you recommend the representative of the real estate section on those commissions?

Mr. HOLDEN. I am inclined to think I did.

Mr. ADCOCK. And they entered on their duties about the 20th of September?

Mr. HOLDEN. I thought it was the latter part of September. I can not tell you the exact date.

Senator FRANCE. What were those two commissions called?

Mr. HOLDEN. They were called. I think, hospital commissions, Senator. They had no special designations.

Senator FRANCE. Can you give us the personnel?

Mr. HOLDEN. Yes; the commission we started out with was Gen. Noble of the Surgeon General's office, and Mr. Trainer, and I think it was Col. Wright of the Construction Division.

Senator FRANCE. That has already appeared.

Mr. HOLDEN. Well, all right.

Senator FRANCE. The personnel of it.

Mr. HOLDEN. The other one was Col. Hornsby, and a Capt. Guy Rush of my division, and I do not know the name of the construction man on that commission.

Mr. ADCOCK. I understand those commissions, or that commission—we will speak of just the one commission that had to do with the western hospital affairs.

Mr. HOLDEN. Yes.

Mr. ADCOCK. Their authority was merely to acquire by lease and modify, and so forth, existing buildings?

Mr. HOLDEN. That is the way the authority read, from the Secretary of War.

Senator FRANCE. You finally did ratify the Crystal Palace lease, though, did you?

Mr. HOLDEN. Yes; we did, at \$394,000.

Senator FRANCE. Was that a fireproof building?

Mr. HOLDEN. Yes.

Senator FRANCE. Was it a building that had been used for hospital purposes?

Mr. HOLDEN. No.

Senator FRANCE. Had it been built for hospital purposes?

Mr. HOLDEN. No.

Senator FRANCE. What had it been used for?

Mr. HOLDEN. The first two or three floors were a dance hall, as I recall it. There was a man who ran a skating rink and a dance hall and above that were lofts and offices.

Senator FRANCE. How do you account for the fact that the owners were finally willing to lease to the Government for less money than they were getting at the time?

Mr. HOLDEN. I do not think it was for less money. I think it was about the same amount of money they were getting.

Senator FRANCE. Do you know who their tenants were?

Mr. HOLDEN. There was a man named Holleman—no; not Holleman, but a man named Gunby—who was the principal tenant and who had a dance hall and a skating rink; and then they had a lot of tenants amongst whom the Government itself had a couple of floors used for the offices of the Aircraft Production Board; but the Du Pont people, who owned the building, got rid of all these people. We had nothing to do with it.

Senator FRANCE. You knew nothing of the character of the leases existing between the owners and their previous tenants?

Mr. HOLDEN. I got to know a little bit about the character of the skating rink man, because there was trouble getting him out of there, and he came down to us, and they finally adjusted the matter with him.

Senator FRANCE. You know nothing about the Greenhut Building? Do you know whether or not that is a fireproof building?

Mr. HOLDEN. My impression is that it is what is called a semi-fireproof building.

Mr. ADCOCK. Do you understand that this commission had any authority to acquire properties like the Speedway?

Mr. HOLDEN. I understand, absolutely not.

Senator FRANCE. You mean to say, Major, that they had not the authority to lease land?

Mr. HOLDEN. They had the authority to lease; but this Speedway proposition was a purchase, sir. That is how I took his question to mean.

Mr. ADCOCK. And also lease existing buildings?

Mr. HOLDEN. Lease existing buildings.

Mr. ADCOCK. For hospital purposes?

Mr. HOLDEN. Yes.

Senator FRANCE. And you had authority to lease land upon which buildings could be erected if you had desired to?

Mr. HOLDEN. This commission did not. It was existing buildings.

Mr. ADCOCK. I think you will remember that Mr. Schmidt, when he was on the stand, testified—and he had a copy of the letter under which he was appointed, which stated the authority.

Senator HARDWICK. Yes; he went into that fully, and they were only given authority to lease buildings to supply various emergencies.

Mr. ADCOCK. And the commission so considered, that they did not have anything to do with the Speedway project.

Mr. BENNET. Mr. Schmidt, you are sitting there. Was it not a fact that Gen. Noble called up Washington two or three times and spoke favorably of the Speedway proposition, and that he was told—at least, so he told you—by some one in Washington not to consider the Speedway proposition?

Mr. SCHMIDT. I do not believe it was said not to consider it, but in those conversations where he inquired by telephone—and I sat in the same room when he was doing the telephoning—he inquired if there was any progress being made in the Speedway matter; and he was told, or at least he told me afterwards—or told us, because Mr. Trainer was in the room, too—that nothing was being done upon the Speedway.

Senator LENROOT. I do not think there is any controversy about that. Your commission would have had authority to lease the Speedway, but no authority to purchase; is not that true?

Mr. SCHMIDT. No; we did not consider we had any authority to do it, because it was not a completed or nearly completed building. Our commission was directed to lease existing buildings.

Senator LENROOT. They had no authority to purchase?

Mr. ADCOCK. Yes. Now, Maj. Holden, did your department at any time have anything to do with the Speedway project?

Mr. HOLDEN. Yes.

Mr. ADCOCK. Will you state what was done?

Mr. HOLDEN. I had seen Mr. Erskine in the office several times talking to Mr. Hodge, and Mr. Hodge kind of outlined what the project was in Chicago.

Mr. ADCOCK. Do you know when that was?

Mr. HOLDEN. That was some time early in August, I should say, because the Saturday before the Saturday before Labor Day, which would have been 10 days before Labor Day, Col. Kramer, of the Medical Corps, called me up and said there would be a meeting that afternoon and he wanted me, as the head of the real estate section, to attend it. It was to be in Col. Wright's office, to consider this Speedway proposition.

Mr. Erskine called for Mr. Hodge and myself, and he introduced me to Mr. Newman, the attorney, and Mr. Erskine took us down in his machine to Col. Wright's office, Construction Division, Seventh and B Streets. At this meeting there were Col. Wright and Col. Kramer, of the Medical Corps. I think that was all. That is all I can recollect.

At the meeting it was discussed; the proposition was outlined by Mr. Erskine, who stated that the Secretary of War, Mr. Baker, had approved of it; but he said, "I found we have been going at it the wrong way. I ought to have started it from the bottom, and got all you fellows on the papers first."

Mr. ADCOCK. Mr. Erskine stated that?

Mr. HOLDEN. Mr. Erskine stated that; and we then decided just what each one should do. The Construction Division was to take the plans that Mr. Erskine was then having arrangements to have made and figure what the buildings would be worth as a completed structure. We were to get an appraisal of the bare land itself, and the

sum of the two would show whether, from a dollars and cents standpoint, it was a good proposition for the Government; and that is how our duties were decided, and we left, with the understanding that our division was simply to pass on the value of the land.

Within a few days they put it up to us. I think it was Col. Wright who called me up and said he wanted the appraisal right away. We then wired the Chicago Real Estate Board, and I sent a telegram, and Mr. Hodge sent a telegram, too, thinking that he knew them and it might have some added weight with them.

Mr. ADCOCK. To hurry it up?

Mr. HOLDEN. To hurry it up. The Construction Division were pressing us very hard to get this appraisal in, because the Chicago Real Estate Board for some reason did not get that appraisal in; it was over Labor Day and some of their men were out of town, and Mr. Hodge telephoned Mr. Wallace Clark for heaven's sake to do something to get an appraisal in there, that he wanted to be sure, he wanted to have an appraisal made, and it did not make much of any difference what it was, but he wanted to have it done. So they finally sent in an appraisal signed by Mr. Mills and one other man, stating—

Mr. ADCOCK. Do you know whether it was Mr. Wallace?

Mr. HOLDEN. Mr. Wallace was the man, stating that \$600 an acre was a fair price for the land.

In the meantime, when they were very anxious to get this appraisal and we could not get anything out of the Chicago board, Mr. Hodge said he thought the land was worth \$2,000 an acre, and I said, "Well, I will put that in as a sort of a guess, but I would like to have the Chicago Real Estate Board pass on it." Mr. Erskine was in the office that afternoon and was very anxious to have it.

I called up the man who had been Mr. Hare's predecessor, Mr. Blagden, in Col. Crowell's office, and he started to talk to me, and I said, "I will come over to see you," and I ran across to the Mills Building and saw him; and he said, "Take your time and investigate this matter. We do not want you to be hurried into it. Mr. Erskine has stated that Secretary Baker has approved of this proposition. We find out that Secretary Baker has not, and while we are not saying that we are not going to do it, we want to have everything perfectly straight."

Mr. ADCOCK. You say he said that Mr. Baker had not approved it?

Mr. HOLDEN. Mr. Blagden said, "We find out that Mr. Baker has not approved it." He stated that he agreed in a general way with a project like that, but he wanted us to take just as much care, have that done in a very careful way; that they wanted to know; and he made the statement then that he did not know who was back of it; and he said that he did not understand Mr. Erskine's connection with it; that there seemed to be some doubt about whether Mr. Erskine was doing it purely from a commercial standpoint, or whether from a broader, philanthropic standpoint.

Mr. ADCOCK. Did you state who Mr. Blagden was?

Mr. HOLDEN. Mr. Blagden was Mr. Hare's predecessor in Mr. Kramer's division.

When this was going on I had asked Mr. Trainer previously who was back of this proposition. He said that he knew, but did not want



to tell me. I went to Trainer with this question of having given a hurried valuation, and Trainer said, "I know about that thing, and I think it is probably worth \$1,000 or \$1,200 an acre. I do not quite agree that it is as high as Hodge says it is." He said, "The proposition I was interested in with this thing in Chicago was in connection with Ogden Armour. That fell through. It is all right. I do not know much about it." I said, "Who is back of it?" He said, "I understand Mr. Edward Hines;" and that is all the conversation I can remember ever having with Trainer about it until the recent turn of events. Then when we got through, when the appraisal of \$600 an acre went through, it was so much lower than Mr. Erskine stated he believed it was worth—he had stated he believed it was worth \$2,000 to \$3,000 an acre—that when they turned that in he said, "They have surely made a mistake," and he asked for another investigation, and Mr. Tigchon was in the office and I called him and made arrangements for him to go with Mr. Erskine to Chicago.

Mr. ADCOCK. When was that?

Mr. HOLDEN. That was about the 3d of September, I think, or about the 4th of September, because we got the telegram from Mr. Mills on about the 3d, in regard to the appraisal.

Mr. Tigchon went to Chicago, and he wired me he was going from there to St. Louis with Mr. Goltra on a proposition, and he wired me that he thought that the appraisal of \$600 an acre should stand.

When he got back to Washington, which was a few days later, after his trip to St. Louis, he told me there were two things he thought we should know. He said one was that there was a stench arising from the Desplaines River. He said, "I thought they ought to know that. It was a very strong odor, and I do not think it would be proper to put a hospital there."

Senator HARDWICK. Who was that?

Mr. HOLDEN. Mr. Tigchon, my representative there. He also stated, "Mr. Erskine has stated to me that he had an option on that property," and he told me how the circumstances arose; that he had asked Erskine about it, and asked what was his interest, and he said, "I have an option on the property." He said to Erskine, "Do you mind letting me see it?" He said, "I will let you know tomorrow whether I will let you see it or not." He asked him for it the next day, in the presence of some gentlemen in Chicago, and he said that he had decided not to let him see it. So that I felt it my duty to go to the Director of Operations, Col. Kellog, with the feeling that while this did not affect the proposition, they should know that Erskine had said that he had an option on the property.

I also stated that to Mr. Hare, who had just then taken the position formerly occupied by Mr. Blagden.

The next day Erskine came into the office, and I told Mr. Hodge what Tigchon had said, and he, in turn, told Erskine. Erskine came back and stated to me that he had this option on the property, and that he had taken it for the reason that at first he was going to buy this Speedway property. He did not mention Hines at that time. He said he was first going to buy this property from the company, and then he was going out and interest patriotic Chicago citizens to put up the balance of the money. He said "This is being done on my part as a purely patriotic matter, and it is being done by Mr. Hines as a patriotic matter. There is nothing else in it." I

said, "Then I have probably done you an injustice in reporting the fact, and I would like to take you right to Col. Kellog and Mr. Hare, and not retract my statement, but tell them your explanation of it." So we went over to Col. Kellog, and I made the statement to Col. Kellog, just how it arose.

I then started to go to Mr. Hare, and Mr. Erskine got very busy talking to Col. Dickinson, and Mr. Hart and I went to Mr. Hare and told him that story. Mr. Erskine stated, when he came in that way—I said, "Why, what has been the reason that the principal has never come out in this thing? Who is the man offering it?" He said, "Perhaps I made a mistake in that regard. I think perhaps it would have been better if Mr. Hines' name had appeared in it from the start." I said, "Yes, it does seem to me, if a man is doing a fine, generous thing, that it should not be known." I said that it would have been better for him to come out and say so, and not attempt to hide under some one else's name, because it was felt in the War Department that there was some interest back of it that had not come out and did not appear on the face of it.

So that with that Mr. Hare there at that time, when we went back and gave Mr. Erskine's explanation of this thing, told me, I think it was, that Col. Starrett had been out there investigating it for Mr. Crowell, and that Col. Starrett had said it was purely a business proposition, that there was no philanthropy about it at all; that Mr. Shank said right out that it was a business proposition; that they wanted to sell this property to the Government; and I think that it was at that interview our department's connection with the whole matter ceased, and we never heard anymore of it except what has come up since then.

Ordinarily we recommended the property. In this case they wanted us simply to state what the value of the land was, and our records show that all we stated was that the value of the Speedway property was appraised by this division, and it was stated as \$600 an acre, and that went in with the construction division figures.

Mr. ADcock. Who signed the first appraisal of this property? Who did it, do you know?

Mr. HOLDEN. I think—it is my recollection—that it was Mr. Mills and John F. Wallace; and then followed by a letter from Mr. Mills that went very much into detail and showed sales all around there that he had made and knew about.

Mr. ADcock. Was that appraisal to be made just of the land without the buildings, or improvements and stores?

Mr. HOLDEN. It was stated to be an appraisal of the naked land, the theory being that the construction division, if there were any improvements on the land, would check any finished buildings, and that the construction division should catch it from their end. If there were some sewers in there that were not any good to the finished project, they would know it, and we would not. We just gave what lands in that vicinity there were supposed to sell for, without any improvements at all.

Mr. ADcock. What was Col. Starrett's position?

Mr. HOLDEN. Col. Starrett was the head of the Emergency Construction of the War Industries Board. He named the contractors for all Government work.

Mr. BENNET. May I interrupt for a moment?

Senator HARDWICK. Yes.

Mr. BENNET. I have had Col. Starrett's office on the phone, but he is in California. What is apparently a very competent young lady there says that if this committee asks for a copy of his report, she has it there, and will send it down. Will you ask that the clerk of the committee do that?

Senator HARDWICK. Yes.

Mr. ADCOCK. Do you know who was the chief of the Procurement Division of the Council of National Defense?

Mr. HOLDEN. I do not think he was named. There were three members of the board that picked out the contractors, and that was his principal duty, I know.

Mr. ADCOCK. Did you ever hear Mr. Trainer say anything to you, or to anyone in your presence, derogatory of this project?

Mr. HOLDEN. No; I did not. The only conversation I ever had with him was when we thought we would have to make a hurried appraisal to help the proposition through. Our division was not antagonistic toward the project.

Mr. ADCOCK. Mr. Trainer was out of the city on work from the 12th of July, outside of Washington, on special matters assigned to him. Was he not, under you?

Mr. HOLDEN. My impression would be that he was away from Washington a great deal more than he was here, you know. He would be here off and on, but his work was largely away from Washington.

Mr. ADCOCK. Where does Mr. Tigchon live? What are his initials?

Mr. HOLDEN. John E. Tigchon. He lives in Detroit.

Mr. ADCOCK. When did he enter the service?

Mr. HOLDEN. I think it was just a short time before this assignment. I should have said it was the latter part of August. I do not know but what this was the first trip he had made.

Mr. ADCOCK. What is Mr. Tigchon's business?

Mr. HOLDEN. He is in the real estate business.

Mr. ADCOCK. Did Mr. Trainer have any authority to originate any propositions?

Mr. HOLDEN. Absolutely not.

Mr. ADCOCK. Did he ever originate any propositions for projects?

Mr. HOLDEN. No; because nobody in the division did. We just waited until we were called upon.

Senator HARDWICK. Senator Lenroot requested me to ask a couple of questions for him. He had to leave.

Senator Lenroot wants to know when the charge against Trainer was first brought to your attention?

Mr. HOLDEN. Somebody sent me a copy of that Chicago Tribune of about the latter part of November. That is the first I had ever heard his name coupled with it at all.

Senator HARDWICK. Senator Lenroot's second question is: Assuming that Trainer had demanded \$100,000 commission on the Speedway—

Mr. HOLDEN. Yes.

Senator HARDWICK (continuing). Even before he took the oath of office in your opinion would he have been a proper man to represent the Government in this capacity?

Mr. HOLDEN. No; if in any way it was predicated upon his entrance into the Government service, there could not be any argument about it. I would not have considered it for a minute.

Mr. ADCOCK. I just want to ask one question, whether or not the national real estate board, and real estate boards in different cities, did not volunteer their services in connection with any projects?

Mr. HOLDEN. We never could have done the work without them. The national association rendered service throughout the country. Many times where we could not have had a force large enough to accomplish the work we would wire to the appraisal committee and they would appraise property for us, and they have a fine line of work.

Mr. ADCOCK. And that was done without a cent of charge?

Mr. HOLDEN. Without a cent of charge to the Government. They would even go into court, when we had to condemn property, and furnish the testimony for nothing.

Mr. ADCOCK. That is all.

Mr. BENNET. Did Mr. Trainer do all this service without compensation?

Mr. HOLDEN. Yes, sir.

Mr. BENNET. What is your recollection of what his previous dealings with Mr. Crowell had been, as stated to you?

Mr. HOLDEN. I have heard that there was a building he was interested in in Chicago, or they were the agents for, and the parties had moved out, and the central department had broken faith with the owner of that building, and Mr. Trainer came down here to get that straightened out, and that is where he met Crowell and Richards.

Mr. BENNET. Is it your recollection that that is what is called the Boulevard Building?

Mr. HOLDEN. Yes.

Mr. BENNET. The building which he is interested in with Mr. Charles Hunt?

Mr. HOLDEN. I do not know about that. I just know that he was down here about the Boulevard Building.

Mr. BENNET. Did Mr. Trainer know, to your knowledge, in the latter part of June, that it was your intention to take him into the Government service after this trip to Hot Springs?

Mr. HOLDEN. Oh, yes; I should say that he did.

Mr. BENNET. In what way, if any, did Trainer come in contact with Mr. Hare?

Mr. HOLDEN. At the time this project was turned down, or when we made our recommendation on it, I do not think Trainer knew Hare, which came about later in connection with this hospital proposition. Mr. Hare would go to our men and say, "the Secretary wants further information on that point." If the man had been up there, we would send him over there. I think that at the time all this occurred Trainer had not met Hare. Mr. Hare had just assumed the duties of that position.

Mr. BENNET. If Trainer had any communication with Mr. Hare before the 26th of September, to the best of your recollection, it would have been unofficial; is that correct?

Mr. HOLDEN. Yes.

Mr. BENNET. There were no projects in the office which required him to know Mr. Hare at that time?

Mr. HOLDEN. I hardly think so.

Mr. ADCOCK. Prior to what date?

Mr. HOLDEN. The 26th of September. I presume that he got acquainted with him about the time of the appointment of his hospital commission, because the hospitals were taking up a great deal of the attention of the Secretary of War, and of the Secretary's office. He might have met him or something of that sort. I could not swear, of course, because I do not know.

Mr. ADCOCK. You do not know certainly one way or the other?

Mr. HOLDEN. I would not know one way or the other; only, I do not believe that he knew him.

Mr. BENNET. Apparently the authority of these commissions in relation to leasing Army hospitals was greater than that any commissioned officer had.

Mr. HOLDEN. Yes, sir; there is no question about that.

Mr. BENNET. They could go out and lease a building, and the only protection the Government had was the power of the cancellation of the lease.

Mr. HOLDEN. This is probably going over what you know. The medical director had to O. K. these projects.

Mr. BENNET. And also the Assistant Secretary of War, did he not?

Mr. HOLDEN. I do not think that the signature of the Assistant Secretary of War was necessary for approval.

Mr. BENNET. In order to refresh your recollection I will show you copies of a couple of telegrams [handing papers to witness].

Mr. HOLDEN. Yes.

Mr. ADCOCK. Those should be read into the record.

Mr. BENNET. Yes, I will read them into the record. [Reading:]

OCTOBER 13, 1918.

J. MILTON TRAINER,  
1506 Michigan Boulevard Building,  
Chicago, Ill.

Field Columbian Museum question will be decided definitely to-morrow, October 14. You will be notified.

F. C. KELLOND, Colonel.

Henry Jervcy, Major General, U. S. Army, Assistant Chief of Staff, Director of Operations.

OCTOBER 14, 1918.

J. MILTON TRAINER,  
1506 Michigan Boulevard Building,  
Chicago, Ill.

Secretary of War directs that you close contract on Field Columbian Museum for hospital purposes. Award contracts for buildings for personnel mess halls and kitchen to lowest bidder practicable.

F. C. KELLOND, Colonel.

Mr. HOLDEN. My impression is, still, that it was not necessary for them to go to the Secretary of War. I think that they were instructed to keep in touch constantly with the director of operations, and report what they were doing, so that they would know; but the authority was such that if these three men signed their names to a lease, it made it a binding contract on the Government.

Mr. BENNET. I do not want to bind you down, Major. You are not very clear on that?

Mr. ADCOCK. I do not think that is a fair statement.

Mr. BENNET. I will withdraw it. It is furthest from my mind to make an unfair statement.

There seems to be an opposition to these telegrams.

Mr. ADCOCK. It seems to me—

Mr. HOLDEN. I can get a copy of the authority.

Mr. BENNET. Why was a Chicago real-estate expert, whose training had presumably been exclusively in connection with city property, sent clear down to Hot Springs, which, as I recall it, was in the State or Arkansas, to value a building down there?

Mr. HOLDEN. I will tell you, we had projects all over the country, and we could not have men in every place. In fact, we had no one down there whose judgment we could rely on. I am a man who has been in the real estate business all my life, and if asked a question here, while I would not know the value of Chicago real estate like these men who have lived there for years, I could go there and get the value of Chicago real estate better than some man who had not had any real-estate training. I do not know whether a man from Chicago would be any less qualified than a man from New York, or anywhere else, but somebody had to look at it, on behalf of the Government.

Mr. BENNET. Exactly. In this last conversation you had with Mr. Erskine in which he said that Mr. Hines was the owner of the Speedway property and the backer of the proposition, did he detail the circumstances substantially as he detailed them here on the stand yesterday in your hearing?

Mr. HOLDEN. Yes; I should say it was very close to the talk we had that day.

Mr. BENNET. And you reported that immediately and fully to Mr. Wylie?

Mr. HOLDEN. I took back what I had said, and I told him the truth. I told him how Mr. Erskine explained the option, and that it was not a matter of profit, so that I felt it my duty to report it when I heard about this option, because I did not want to do him injustice.

Mr. BENNET. So that Mr. Hare was fully aware of the ownership of the property before he made his decision on December 26?

Mr. HOLDEN. I think he was. At least, I told him that.

Mr. BENNET. You tried very hard to acquaint him with that?

Mr. HOLDEN. I told him about what Erskine had said.

Mr. BENNET. Now, in relation to the valuation of this land which subsequently the Chicago—what do you call it?

Mr. HOLDEN. The Real Estate Board.

Mr. BENNET. Yes. They sent you in a report in which they made valuation of \$1,100 an acre, it being a valuation of \$600 on the naked land and \$500 for sewers, and so forth.

Mr. HOLDEN. Yes, that was to check it over, to see why it came to \$1,100. In our telegram we stated that we did not want any attention paid to improvements; that the Construction Division was to attend to that, and what they wanted was just the naked land.

Mr. BENNET. And although if anyone spoke of improvements, they could naturally think of grandstands, and bleachers, and tracks, and rings of that sort, and not improvements, as the telegram came to you at \$1,100, yet those things were not covered at all?

Mr. ADCOCK. You mean \$600, do you not?

Mr. BENNET. No; \$1,100. What were considered as a matter of fact were sewers and water mains.

Mr. HOLDEN. Yes; I think they made that appraisal; and in the construction figures that were put up to the Secretary of War, all that underground work was figured, according to my recollection; at \$700,000; so that that would be about \$500 an acre.

Mr. BENNET. They did not want to leave any misapprehension in the minds of people.

Mr. HOLDEN. Yes.

Mr. BENNET. Do you know anything about the hospital buildings at Marquette Park or Washington Park in Chicago?

Mr. HOLDEN. No, sir.

Mr. BENNET. Have they not approved of that?

Mr. HOLDEN. No, sir; Washington Park or Marquette Park we had nothing to do with.

Mr. BENNET. Did I understand you correctly that about the middle of September there was a very desperate anxiety for hospitals?

Mr. HOLDEN. Yes; that was about the time they seemed to think the hospital situation was desperate, not in any one particular place, but in getting this series of hospitals throughout the country. You understand, that is just hearsay. I do not know what was in the mind of the Secretary of War. That is what I thought was the reason for it.

Mr. BENNET. As a responsible officer of the Government that was the impression made upon your mind by the events.

Mr. HOLDEN. Yes, sir.

Mr. BENNET. And the ordinary process was not developing hospitals rapidly enough for what was supposed to be the demand, and these two commissions were appointed with rather large and extraordinary powers.

Mr. HOLDEN. That was the understanding, yes, sir.

Mr. BENNET. You have practically no doubt that that was correct?

Mr. HOLDEN. I think it the reasonable inference.

Mr. BENNET. Do you know anything personally, about the merits of the Field Museum proposition?

Mr. HOLDEN. I do not know anything about it.

Mr. BENNET. You do not know whether that was a completed building in September.

Mr. HOLDEN. I have heard that there was a lot of work to be done on it necessary to make it fit for a hospital, yes, sir.

Mr. BENNET. I have here a memorandum from Col. Dickinson, which I will read. Who is Col. Dickinson, by the way?

Mr. HOLDEN. He is in the Medical Corps, but he has been attached to duty in the office of director of operations, under Gen. Jervy, and when he wrote on October, 1918, that the time required—

Mr. BENNET. When he wrote on October, 1918, "the time required would be six months on the Field Museum, Maywood can be ready in three or four months earlier than the museum. It will constitute an excellent modern hospital of permanent construction as compared with the relative makeshift like the museum, wherein quarters for the sick must be adjusted as best they may," you have no doubt that he was expressing his sincere opinion?

Mr. HOLDEN. I have no doubt; Col. Dickinson is a man who if he wrote a telegram would mean what he said.

Mr. BENNET. This is a memorandum for Gen. Jervey.

Mr. HOLDEN. I have no doubt Col. Dickinson believed it.

Mr. BENNET. You have no information to the contrary?

Mr. HOLDEN. I would not attempt to pass on the subject matter of that memorandum. It did not concern me in the least bit. I mean, if you ask me my opinion of Col. Dickinson, that he was a man who, when he wrote a memorandum, believed it.

Mr. ADCOCK. I just wanted to ask you one question. When Mr. Tigchon went to Chicago he did not know, that is personally, about real estate there?

Mr. HOLDEN. No.

Mr. ADCOCK. But you expected him to obtain the advice of competent real estate men?

Mr. HOLDEN. He was to go around and get opinions from responsible men that did know Chicago.

Mr. ADCOCK. And so far as the valuation of the naked land was concerned it was considered by the construction division that so far as the sewers and water mains and so forth were concerned they would give credit for whatever they were worth to the department?

Mr. HOLDEN. That is how they did.

Mr. ADCOCK. I would like, if the committee pleases, to ask to have produced a report of Mr. Trainer on the Hot Springs Hotel matter, and also the Grand Central College.

Mr. HOLDEN. I am no longer connected with the department, but I presume that if you ask me I can get it.

Senator FRANCE. I think the committee would like to have a list of all the leases entered into, the times and dates of the leases, and the aggregate amounts, and also if there is available in that connection, a valuation of the property so leased. I presume when you considered a lease, and when you determined upon a lease price, you formed some estimate as to the value of the property?

Mr. HOLDEN. Yes; absolutely.

Senator FRANCE. This committee would be glad to have that information.

Mr. HOLDEN. Senator, if you will undertake, please, to give me just what you want. You spoke of those two things, the Grand Central Palace and the Hot Springs.

Senator HARDWICK. Is that not encumbering the record a little too much?

Mr. ADCOCK. I believe one of the Senators has asked about the Grand Central Palace and Mr. Trainer has had that under charge. Perhaps it might be placed in the record.

Senator HARDWICK. The record is already voluminous, and Mr. Trainer is not charged with anything improper with respect to those.

Mr. ADCOCK. I want to say in this connection that I think Mr. Trainer will testify as to the transactions he had as a member of the commission, and as an expert in the real estate division if the committee desires him.

Senator HARDWICK. At present you do not need to do that.

Mr. HOLDEN. At present furnish what the two commissions did?

Senator FRANCE. Yes; the list of the values of the properties.

Mr. HOLDEN. Those I will get from the files on those things. If the department will give it to me, and you will back it up, but if not, I will let you know.



Senator FRANCE. If you will let us know then who is in charge.

Mr. BENNET. Does this request include a request for correspondence between Mr. Trainer and Mr. Hare or anyone else in connection with the Chicago proposition?

Senator FRANCE. I made no such request.

Mr. BENNET. Can I make such a request?

Mr. HOLDEN. I can not find out anything like that. I do not know that Mr. Trainer wrote Mr. Hare directly.

Senator HARDWICK. We can ask Mr. Hare to produce that.

Mr. ADCOCK. We would be glad to have such information.

Senator BECKHAM. You are in the real estate business, are you not?

Mr. HOLDEN. Yes, sir.

Senator BECKHAM. How long have you been engaged in the real estate business?

Mr. HOLDEN. Ever since I was 18 years old, and I am 43 now.

Senator BECKHAM. Considering this speedway proposition, what, in your opinion, was the nature of it? Did you not consider that it was a proposition without profit on the part of its owners, but that it really involved the notion of philanthropic consideration to the Government?

Mr. HOLDEN. Senator, I am unable to answer, never having seen the property, for one thing. The situation as I got it is that it is purely a construction project. The real estate had so little to do with it—\$192,000 as against a million and a half from the real estate proposition. The property had been a failure as a speedway. It was a question of salvaging it. They could not hope to get back their money in a hundred years, and they thought that to work it up into a hospital might be a good thing for them and for the Government. Mr. Erskine thought it would net him \$500,000 or \$600,000, this property that had cost him about \$1,750,000. We figured roughly and we tried to get at the salvage. I always felt that if they could have come out and shown their figures all the questions could have been answered.

Mr. BENNET. Maj. Stotesbury yesterday, in his report, showed that in his judgment this property could not have been duplicated by the Government, except by the expenditure of about \$793,000 in excess of the figures for which Mr. Hines and the Shank Co. had agreed to turn over the land and produce the buildings. Are you prepared to dispute those figures?

Mr. HOLDEN. The basic figure put on those buildings was \$2,500,000. There were afterwards other buildings added which brought it up to \$3,400,000. As I recollect it, when the construction division figured the cost of a new hospital similar to what this was to be, and the construction was added to the cost of \$600 an acre, it meant a total of \$2,690,000 and I think that was about \$190,000 less than the Government could buy the land and build a hospital such as that would be.

Mr. BENNET. You have never seen the Stotesbury report?

Mr. HOLDEN. I heard the Major yesterday, but I did not catch where he figured the \$790,000.

Mr. BENNET. The construction part of it was in the construction division, and in the rush of matters you did not give it any great attention?

**Mr. HOLDEN.** Yes, I did. I saw the total figures. If you will figure back—the report was \$2,600,000.

**Mr. BENNET.** For how much did the Shank Co. agree to turn over the land and construct the buildings?

**Mr. HOLDEN.** \$2,500,000.

**Mr. BENNET.** And so in the least favorable light to the Shank Co. they were agreeing to turn over this property without a profit, and at loss, according to the Government figures, of \$192,000?

**Mr. HOLDEN.** I am not prepared to say. It was a loss, though necessarily—the fact that I am emphasizing is this, that if the Speedway had not been there at all, and they went and bought the land for \$600 an acre and built a hospital 490 feet—

**Mr. BENNET.** Two thousand feet.

**Mr. HOLDEN.** What was the width?

**Mr. BENNET.** Fifty feet.

**Mr. HOLDEN.** By 50 feet wide, that it would cost the Government the Construction Division figures were correct \$2,600,000, and Mr. Shank offered to build it for \$2,500,000. You are asking me if they cost so much money?

**Mr. BENNET.** I will agree that that is a conclusion.

**Mr. ADCOCK.** He might answer it.

**Senator HARDWICK.** He did not answer it.

**Mr. HOLDEN.** I say that if this Speedway proposition had cost \$750,000, the original cost of the property, that does not indicate that it is worth that. I mean by that, that if you went to work, using the cost that Mr. Hines had to pay for this land with the grandstand, converting it into a hospital, it would show a loss of a million and a half, but not a commercial loss, from the standpoint of what would sell for in the market.

**Mr. BENNET.** You draw a distinction between what they paid for the land and what it was worth in the market?

**Mr. HOLDEN.** Yes.

**Mr. BENNET.** But at the price of \$600 an acre that the Government had fixed, the price which included of course sewers, water mains, and so forth, the Shank Co. was agreeing to construct this not only without profit but at \$192,000 less than the Government said it could be done for?

**Mr. HOLDEN.** Yes; that is correct. I do not know whether it was without profit to the Shank Co., but I mean the way the situation stood, with similar buildings on the land it would cost \$1,600,000.

**Senator FRANCE.** Is it not true that the Government experts are usually mistaken in their figures, and that the figures of the Government experts as to cost, as to probable cost of building, are usually too low?

**Mr. HOLDEN.** I have just an opinion as a citizen. That does not come in my division. But as I understand it, as a general thing estimates were generally exceeded rather than too low.

**Senator FRANCE.** That has been the testimony time and time again before this committee.

**Mr. BENNET.** That is all.

**Senator HARDWICK.** That is all. You are excused.

## TESTIMONY OF MR. JOHN G. TIGCHON, DETROIT, MICH.

(The witness was sworn by the chairman.)

Senator HARDWICK. You are engaged in the real estate business?

Mr. TIGCHON. Yes.

Senator HARDWICK. Have you any official position now?

Mr. TIGCHON. I am not connected with the Government in any way.

Senator HARDWICK. What is your address?

Mr. TIGCHON. Detroit, Mich.

Senator HARDWICK. You say you are in the real estate business?

Mr. TIGCHON. Have been for 25 years.

Senator HARDWICK. Your office address?

Mr. TIGCHON. 2258 Penobscot Building.

Mr. ADCOCK. Will you state what you had to do with the speedway project?

Mr. TIGCHON. I had very little to do with it. Shortly after I entered the service of the purchase, storage, and traffic division, the real estate unit. I think they called it, I was about to go to St. Louis, Mo., to appraise some lands in connection with the Mississippi Valley Land Co. there, which had some project under way, and I think five or six hours before going Maj. Holden came to me and asked me to stop at Chicago and look into the speedway proposition; that is, the value of the land. He stated that Mr. Erskine would accompany me. That was the first time I ever met Mr. Erskine. I met Mr. Erskine at 1 o'clock, and I told him that I could not get any transportation or berth. He stated that he would attend to that, and meet me at the depot. We met and were together on the train and had a very nice visit going to Chicago, and arrived there about 8 o'clock in the morning, and we talked more or less about this speedway proposition and the value of the land and so forth. Mr. Erskine gave me the impression that he was doing it purely and simply from a patriotic motive; that he was trying to help to supply a great need at that time, the need of hospitals in different parts of the country.

We talked about the value of the land. He intimated to me, though he did not state it—my impression was that his idea as to the value of the land was about \$2,000 an acre. I think he had told me that some people had appraised it as high as \$3,000 an acre.

I told him, of course, that I had not seen it and did not know anything about it, but that I was going to Chicago for the purpose of making an examination, and during that ride on the train I asked Mr. Erskine many pointed questions about the matter, and I finally said to him: "Who are the owners of this property?" He said, "Well, a group of Chicago gentlemen." I said no more about it until finally I asked him, "Have you an option on this property?" He said, "Yes; I have." I said, "I do not want you to think that I am impertinent, but I would like to have you show me that option, if you will." "I prefer not to to-night, but I will think it over and see you in the morning, and if I give it, I would rather give it in writing." I said, "All right, that will suit me very well."

The next morning we were about to get off the train, and he wanted to know where I was going, and I said, "The Blackistone." He asked me if I did not want to come up to some office, and I said, "No, I am going to the Blackistone, and I am going to meet some

gentlemen who will help me in making an appraisal." I had procured the address of a Mr. Poronto, a successful real estate man in Chicago, and Mr. Jamme. There was another man, but I could not locate the other man, and those two agreed to procure the services of a Mr. Charles D. Richards, a man very well informed on Chicago real estate values. They came over to the hotel, and I was to meet Mr. Erskine there at 10.30. They came there and met me, and we waited on Mr. Erskine an hour or more. These men had left their offices to donate their services, but finally he came and I introduced them. I did not know them, but they had paged me around the hotel, and when Mr. Erskine came in I introduced Mr. Erskine.

I turned to these men and said, "In order that you men may look this over and not be prejudiced, perhaps you two had better go together." They could not get Mr. Richards. I told them I wanted a written report. They were men influential in the Chicago real estate board. I added I wanted a written report.

"In the meantime Mr. Erskine and myself will go down and look his property over. Last night in talking this over with Mr. Erskine on the train, gentlemen, I asked him whether he had an option on this property and he told me that he did. I asked him if he would let me see it or tell me the substance of it, and he said he wanted to defer that until this morning, and I asked him in your presence whether he cares to let me see the option."

Mr. Erskine replied that he had decided not to. I said, "I do not think it would influence our valuation in any manner, shape or form, but we would like to get all the data we can on this subject." That was all that was said about the option.

Mr. Erskine and I hired an automobile and we drove out a long distance out west, and we approached a river, and I detected a very pronounced odor. It may have been certain atmospheric conditions. I asked him what in the world that odor was that I smelled, but he said that he did not smell any odor, that it must have been something from the cabbage field, maybe it was cabbages. When we got along further we could see sewage floating on the river. I said, "It does not smell very good, does it?" He replied, "No."

We went into the Speedway property and walked all around it, the grand stands and different things, but, of course, I was not interested in the physical part of it so much, the improvements. I went there to appraise the land only. We spent some little time there. He introduced me to Mr. Shanks' son, I think it was. There were some men working there, not very many, as I remember it. We talked there quite a long time and walked around there and went all around the property, and went through the depot or station for handling and unloading passengers when they had Speedway events.

We drove up to Twenty-second Street, and there was a large sign there. "For sale—this 80 acres." The farmer lived right there, and stepped in to see what the man wanted for his 80 acres.

Senator BECKMAN. Was that adjoining the Speedway?

Mr. TIGCHON. I think adjoining or very close to it, very near it. I met the farmer and asked him if he was the owner of the property. He said that he was. "You have a sign here wanting to sell it." "Yes." "What do you want for it?" "\$800 an acre." I said, "I am afraid you are a little high"—talking as a real estate man trying to

negotiate for it. I could read between the lines that this fellow would sell for a great deal less than \$800 an acre. I said, "Supposing I would make you an offer for less than \$800 an acre, would you consider it?" "Make me an offer, and I will tell you." "I may be able to do that; I can not do it this morning." There was a great deal of that vacant land there.

We circulated around, and saw a great deal of the country, and went back by way of Maywood. As I remember it it was  $1\frac{1}{2}$  or 2 miles from the Speedway, and we went back toward Chicago that way, and again as we approached this river this same odor was noticed going back. I called his attention to it again, but there was nothing more said about it. That was about my only connection with Mr. Erskine in this matter. We had a nice little luncheon together, and I told Mr. Erskine that I would see other men in Chicago. I did see other real estate men, and made arrangements to meet Mr. Poronto, Mr. Richards, and Mr. Jamme in Mr. Poronto's office the following morning in the First National Bank Building. We met up there the following morning, and continued our talk for some little time.

In the meantime I have been going around getting valuations, finding out what I could about this property. There was some little division as to the value, between Mr. Poronto, Mr. Richards, and Mr. Jamme. Mr. Richards claimed to know all about the property, knew when the property was consolidated, I think, in 1814, he told me.

Mr. BENNET. In 1914?

Mr. TIGCHON. Yes, in 1914. He knew well what the property sold for at that time. He said that it sold for \$350 an acre.

There was one piece which seemed to be the key to the situation, owned by Mr. Cummings—and by the way I happened to know Mr. Cummings and his son-in-law very well. They had to have this piece of property, which was a corner, containing about 20 acres, and they had to pay a high price for it. I do not consider that sale a criterion of value, because they had to have the land.

Senator FRANCE. How much did they have to pay for it?

Mr. TIGCHON. Something like \$1,700 an acre. Richards said it was a regular holdup, but that they had to have it. When they distributed that small quantity over the entire piece it did not amount to very much anyway.

Senator FRANCE. How much was the contract?

Mr. TIGCHON. I think about 17 acres. I am not sure.

Senator FRANCE. The contract for the hospital?

Mr. TIGCHON. 320 acres.

Senator FRANCE. That 20 acres out of 320?

Mr. TIGCHON. Yes. These men deliberated a long time. We had a meeting there, and I remember meeting there in the afternoon. I remember the world's series was on and Mr. Erskine called me up and asked if I did not want to go, and I said I could not, that these men were engaged on that work, and I did not think it would be very nice on my part to jump out and see a world's series, much as I would like to. So I remained with them until they got through. I believe it was a sort of divided report. Two of the men said in the report that the land was worth about \$600 an acre, but for such purposes they thought it would be worth somewhat more. The other man, Mr.

Richards, stated flatfooted in his report that it was worth \$600 an acre.

I sent in my report to the Government. I had made all the investigations I could about the situation, but my judgment told me that a fair valuation of the land was \$600 an acre. I wired in that report, and I immediately followed that with the letter, and that was my entire connection with the project.

I did not take into consideration what Mr. Erskine told me about the underground sewage system and the water pipes and so forth. I did not take that into consideration at all. I considered that it was an engineer's job more than a real estate man's.

Senator HARDWICK. In other words the naked land was worth \$600 an acre.

Mr. TIGCHON. I did not presume to know anything about whether this sewage system and water mains could be utilized or not.

I also had some hesitation, because I did not know just how good these sewage facilities were there. In my report, I think, I called particular attention to that and I said that I would advise that a careful investigation be made as to the sewage disposal conditions. I mentioned the stench in the river. That was about the extent of the matter.

Senator HARDWICK. Any questions?

Senator FRANCE. I do not know that you stated your official connection with the Government at that time.

Mr. TIGCHON. I think I was looked upon as a real estate expert. Was that it? I was a dollar-a-year-man.

Senator FRANCE. In what department?

Mr. TIGCHON. In the Purchase, Storage and Traffic.

Mr. ADCOCK. Did Mr. Richards state how he knew about the purchase of the portion of the land was \$350 an acre?

Mr. TIGCHON. He stated that he himself had bought some of that.

Mr. ADCOCK. When did you first meet Mr. Trainer?

Mr. TIGCHON. Oh, I met Mr. Trainer—I did not know him at all at that time. I met him in Major Holden's office. I may have met him in Chicago at some convention on real estate matters. But I met him once in Mr. Holden's office.

Mr. ADCOCK. When was that?

Mr. ADCOCK. Did you have any talk with Mr. Erskine on the way back from Chicago or any further talk about the option?

Mr. TIGCHON. No, only what I stated here. It was the only reference to that.

Mr. BENNET. I would like to ask Mr. Schmidt for information, how far is the Desplaines River from this Speedway Hospital?

Mr. SCHMIDT. Must be about a mile from the hospital.

Mr. TIGCHON. I would like to say in answer to that that my judgment and recollection is a half a mile, and the prospectus given by Mr. Shank to Mr. Erskine referred to it as being a quarter of a mile way.

Mr. SCHMIDT. The eastern edge of the property is just about a half a mile. The river meanders and is a little closer and a little farther than that in places.

Senator HARDWICK. You are speaking of the building?

Mr. SCHMIDT. The building is being built about a half a mile from the river.

Senator BECKHAM. Could odors from the river reach the hospital?

Mr. SCHMIDT. They might in a wind, I believe.

Mr. ADCOCK. Mr. Erskine spoke of a conversation that he had with you yesterday after you had been on the stand. Can you state that conversation substantially?

Mr. TIGCHON. I heard Mr. Erskine testify yesterday that he had never mentioned the fact of an option in any way either to Maj. Holden or myself. I was out in the anteroom and I said, "You have forgotten our conversation on the train, have you not, Mr. Erskine?" He said, "No." I said, "I spoke to you about it and I spoke to you about having mentioned it before Mr. Poronto and Mr. Janne." I said, "I did it for that purpose. I wanted to know." He said, "Well, I must have forgotten it." "You also mentioned it to Maj. Holden," I said. He said, "If I did, I have forgotten." "Well," I said, "you certainly did, Mr. Erskine."

Senator HARDWICK. All right, you are excused with the thanks of the committee.

(Thereupon at 12.55 o'clock p. m., the subcommittee took a recess until 2 o'clock p. m.)

#### AFTERNOON SESSION.

The subcommittee met at 2.00 o'clock p. m., pursuant to the taking of the recess.

#### TESTIMONY OF MR. GEORGE H. SHANK.

(The witness was sworn by the chairman.)

Mr. BENNET. Please state your name and residence to the stenographer.

Mr. SHANK. George H. Shank, No. 30 North La Salle Street.

Mr. BENNET. Do you know Mr. Trainer, whom you have seen off and on here for several days?

Mr. SHANK. Yes, sir.

Mr. BENNET. And Mr. Clark, his partner?

Mr. SHANK. Yes, sir.

Mr. BENNET. How long have you known them?

Mr. SHANK. For several months.

Mr. BENNET. Which did you meet first, or did you meet them together?

Mr. SHANK. Which?

Mr. BENNET. Did you meet them together or separately?

Mr. SHANK. I met them first together.

Mr. BENNET. When was that?

Mr. SHANK. I took them to the Speedway Park at the same time.

Mr. BENNET. And about what date was that?

Mr. SHANK. I think it was the latter part of June.

Mr. BENNET. Of what year?

Mr. SHANK. Last year.

Mr. BENNET. Just state the circumstances and how you happened to take Mr. Trainer and Mr. Clark out to the Speedway Park.

Mr. SHANK. Mr. Trainer, or somebody, called up my office and asked me if I would give Mr. Trainer a pass to go out and see the park. I told him I would take him out. Then they said Mr. Clark would have his car and we would go out together; which we did.

fr. BENNET. Was anyone else in the party beside Mr. Trainer and Clark and yourself?

fr. SHANK. Mr. Wheelock.

fr. BENNET. What is his name and what is his business?

fr. SHANK. H. D. Wheelock is his name, and his business is that in architect.

fr. BENNET. You went out to the Speedway together. How long e you out there?

fr. SHANK. I should think an hour and a half or two hours.

fr. BENNET. Did Mr. Trainer say to you anything at that time o what his reason was for wishing to go out to the Speedway?

fr. SHANK. Yes; he said he was in Chicago with the commission n the Surgeon General's office, looking over all the hospital sites he city of Chicago, and this was one of them.

fr. BENNET. And he looked over this Speedway site, and did he questions such as a man would ask who was interested in the from a hospital viewpoint?

fr. SHANK. Oh, yes.

fr. BENNET. And how long were you together that afternoon, do suppose?

fr. SHANK. I should think a couple of hours.

fr. BENNET. Before that had you ever met Mr. Trainer or Mr. rk?

fr. SHANK. Not to my knowledge.

fr. BENNET. What office do you hold in the Shank Co.?

fr. SHANK. President.

fr. BENNET. And the Shank Co. owns one-thirteenth of the Speed- / property?

fr. SHANK. Something of that kind.

fr. BENNET. Had you ever given Mr. Trainer or Mr. Clark any iner to sell the Speedway property in any way, shape, form, or ter, at any time?

fr. SHANK. No, sir.

fr. BENNET. When was the next time you saw Mr. Trainer and Clark, if you saw them together?

fr. SHANK. I think it was at Mr. Poppenhusen's office.

fr. BENNET. That is the Mr. Poppenhusen who testified here?

fr. SHANK. Yes.

fr. BENNET. And about what date was that?

fr. SHANK. That was soon after that again; a few days.

fr. BENNET. If Mr. Newman testified that that date was the 25th June, would you say that that was the meeting?

fr. SHANK. I should say so. It was somewhere around that 3.

fr. BENNET. At that first meeting in Mr. Poppenhusen's office was e any question of commissions mentioned?

fr. SHANK. No, sir.

fr. BENNET. When did you next see——

fr. ADCOCK. I would like to ask the witness if he would state who present at that time.

fr. BENNET. Very well.

fr. SHANK. Mr. Poppenhusen, Mr. Newman, Mr. Wheelock, Mr. lge, and Mr. Trainer, I think, and myself.



Mr. BENNET. When and where was the next time you saw Mr. Trainer and Mr. Clark, if you saw them together?

Mr. SHANK. I think, in my office.

Mr. BENNET. In the La Salle Building?

Mr. SHANK. Yes, sir.

Mr. BENNET. And who was present beside Mr. Trainer and Mr. Clark and yourself?

Mr. SHANK. Mr. Foster.

Mr. BENNET. You heard his testimony on the stand?

Mr. SHANK. I did.

Mr. BENNET. Do you wish to change or vary that in any way, or do you want to adopt it as yours?

Mr. SHANK. It is the same as mine.

Mr. BENNET. After you had that conversation to which you and Mr. Foster have testified, did you have any conversation with Mr. Foster in relation to what Mr. Trainer's situation was in relation to the Government?

Mr. SHANK. No, I do not think so. I may have said that Mr. Trainer was looking up sites for the Surgeon General's Office. I do not know.

Mr. HARDWICK. Ask him if he told Mr. Foster that he had some connection with the Government. I think perhaps we can have a little time. Nobody has explained how you came, you and Mr. Trainer, to get together and come in and broach this thing to Mr. Foster. How came this matter to come up about this commission? Who brought it up?

Mr. SHANK. He brought it up.

Senator HARDWICK. How and when?

Mr. BENNET. You had better state that a little more fully.

Mr. SHANK. To my remembrance he wanted us to introduce him to Mr. Hines, and stated that the Surgeon General's Office was favorably inclined to the Speedway Park.

Mr. BENNET. What, if anything, did he say about commissions in this connection?

Mr. SHANK. He wanted to meet Mr. Hines, to have Mr. Hines take him to George M. Reynolds for to make some arrangements to get some compensation for the work he had done.

Mr. BENNET. Was that stated in the presence of Mr. Foster?

Mr. SHANK. It was.

Mr. BENNET. In what part of your office did this conversation take place?

Mr. SHANK. In back of the cashier's table—the bookkeeper's cage.

Mr. BENNET. And unless some employee was present, within ear-shot, the persons who were present at that time at that conversation were the four whom you have named?

Mr. SHANK. That is all.

Mr. BENNET. How soon after that did you acquaint Mr. Hines with the fact that Mr. Trainer had come to you with that proposition?

Mr. SHANK. I should say an hour or two; as soon as I could get Mr. Hines on the phone.

Mr. BENNET. And when you told Mr. Hines that Mr. Trainer wished to have him go with him to Mr. Reynolds to make some ar-

nt by which he, Mr. Trainer, could get a commission or  
ation out of the Speedway property, did Mr. Hines agree  
to do so?

HANK. He refused to have anything to do with it, or to meet  
ner.

NNET. Were you present at the meeting of July 2nd in Mr.  
's office?

HANK. It is only from the date I have heard discussed here.  
s a big meeting where everyone was present.

NNET. Held at Mr. Newman's private office?

HANK. Yes.

NNET. To the best of your recollection, who were present?

HANK. Mr. Erskine, Mr. Hodge, Mr. Trainer, Mr. Foster,  
penhusen, Mr. Newman, Mr. Wheelock and myself. Mr.  
unt came in for a few minutes.

NNET. Who asked you to attend that meeting?

HANK. I do not know. I was telephoned for, to have Mr.  
c and myself bring some plans there.

NNET. And you went over?

HANK. We went over.

NNET. How long did that meeting last?

HANK. I should think about two hours. Yes, it lasted an  
a half, anyway.

NNET. What was the general subject of discussion, hospitals?

HANK. Yes.

NNET. Did Mr. Trainer take any part in the discussion?

HANK. Trainer?

NNET. Yes, Trainer.

HANK. He seemed to be the only one who had any informa-  
ne subject at all.

NNET. And at that time was there any statement made as  
nection with the real estate department in Washington and  
intance, and things of that sort.

HANK. No, I do not think there was anything of that kind  
out the real estate department. The Surgeon General's De-  
was my remembrance. He represented the doctors.

NNET. At that meeting was anything said about com-

HANK. Nothing at all.

NNET. Or compensation?

HANK. No.

NNET. Did you at any time after that see Mr. Trainer at  
view in which compensation or the Speedway Hospital was  
l?

HANK. I do not think so.

NNET. Did you see him here in Washington on one occasion?

HANK. I have seen him, oh, just a short time ago, in Gersten-  
taurant. That was the night I started for Chicago.

HARDWICK. About how long ago?

HANK. I should think it was a month ago.

HARDWICK. About a month ago?

HANK. Yes.

NNET. If I stated that that date was the 23d of November,  
a correct or incorrect?

Mr. SHANK. I should think you would be about correct.

Mr. BENNET. That is a little bit more than a month ago.

Mr. SHANK. Well, possibly.

Mr. BENNET. Two months. Were you dining in the restaurant that night?

Mr. SHANK. Yes, sir.

Mr. BENNET. And whom were you dining with?

Mr. SHANK. Mr. Hines and Mr. Newman.

Mr. BENNET. Was Mr. Trainer at your table or some distance away?

Mr. SHANK. He was at a table with another gentleman.

Mr. BENNET. Did either Mr. Newman or Mr. Hines sit so that they faced Mr. Trainer?

Mr. SHANK. I can not say as to that.

Mr. BENNET. You do not recall?

Mr. SHANK. I do not think they would.

Mr. BENNET. Just state the circumstances and what occurred between you and Mr. Trainer that night at Gerstenberg's restaurant?

Mr. SHANK. I sat at that table and Mr. Trainer spoke to me. That was the first I had seen of him, and he asked me how I was getting along. I told him I thought I was all done—was going back to Chicago that night. He said:

Well, you will find that it pays better to get along right and to do things right than it is to be knocking people.

Mr. BENNET. Did he say anything, when he made the inquiry as to how you were getting along, referring to the hospital project?

Mr. SHANK. That was the only thing I knew of; the only thing he and I could talk about.

Mr. BENNET. When you said to Mr. Trainer that you were "all done" what did you mean?

Mr. SHANK. I meant I was thrown out of the War Department, and had no contract, and I was practically through.

Mr. BENNET. Are you quite certain Mr. Trainer understood you in the same way?

Mr. SHANK. No question about it, I think.

Mr. BENNET. It was after that the meeting occurred that you have just quoted?

Mr. SHANK. Yes.

Mr. BENNET. Did you tell any one in the restaurant, or did you not, what Trainer had said to you?

Mr. SHANK. I just told Mr. Hines and Mr. Newman.

Mr. BENNET. With whom you were dining?

Mr. SHANK. Yes.

Mr. BENNET. Do you know whether Mr. Hines was personally acquainted with Mr. Trainer?

Mr. SHANK. It is my knowledge that he was not.

Mr. BENNET. What?

Mr. SHANK. He said it was the first time he had seen Mr. Trainer.

Mr. BENNET. And did you point Trainer out to him?

Mr. SHANK. Yes; I told him who it was.

Mr. BENNET. The committee does not desire any questions asked concerning the construction of hospitals, but I will just ask this question, not in relation to the construction: The Shank Construction Co. consisted of yourself and Mr. Foster?

Mr. SHANK. Yes.

Mr. BENNET. And you have heard some testimony that came out in relation to the construction of that hospital by your company?

Mr. SHANK. A great deal, sir.

Mr. BENNET. And in a general way, the affair has been correctly stated, has it not?

Mr. SHANK. I think so.

Mr. BENNET. I think that is all.

Senator HARDWICK. Let me ask a question: When was the first occasion Mr. Trainer ever mentioned the fact that he expected payment on this hospital project?

Mr. SHANK. Will you please repeat that question, I am a little tired of hearing.

Senator HARDWICK. When was the first occasion that Mr. Trainer ever mentioned to you his expectation or desire that he should be paid for aiding this hospital project?

Mr. SHANK. When?

Senator HARDWICK. In whose office?

Mr. SHANK. The Shank Co.'s office.

Senator HARDWICK. Was Mr. Foster there?

Mr. SHANK. Yes, sir.

Senator HARDWICK. Had there been no previous conversation between you and Trainer?

Mr. SHANK. Not on that subject, at all.

Senator HARDWICK. Not on that subject at all?

Mr. SHANK. No, sir.

Senator HARDWICK. Where did Trainer come from that day?

Mr. SHANK. I have no idea.

Senator HARDWICK. He came into your office from the outside?

Mr. SHANK. Yes.

Senator HARDWICK. And he saw you before Mr. Foster?

Mr. SHANK. When he came into the office I was out in the rotunda.

Senator HARDWICK. You were in the rotunda so that he saw you first?

Mr. SHANK. He saw me first.

Senator HARDWICK. Did he bring this subject up?

Mr. SHANK. He said he wanted to ask about the hospital.

Senator HARDWICK. He wanted to ask about the hospital?

Mr. SHANK. And the hospital trade and the Speedway project; and then I believe Mr. Foster said that we might as well all be together, and Foster asked us to come around behind the bookkeeper's table, because my place was out on the work.

Senator HARDWICK. Now tell me, because it is important, what was the language he used in opening up this subject matter?

Mr. SHANK. We did not do much talking at all. The way it started was, he asked us to get an appointment with Mr. Hines.

Senator HARDWICK. He said, "I want to see Mr. Edward Hines"?

Mr. SHANK. Yes.

Senator HARDWICK. Substantially?

Mr. SHANK. That was not it.

Senator HARDWICK. What was it, then?

Mr. SHANK. He said he was in shape to help that project along, and he wanted to see Mr. Hines.

Senator HARDWICK. That was why he wanted to see Mr. Hines, he said?

Mr. SHANK. Because he wanted to see if there was some chance for compensation.

Senator HARDWICK. Suppose you tell, now just what he said.

Mr. SHANK. I think I quoted the language as near his language as I can get.

Senator HARDWICK. I do not recall it, if you did. What did he say?

Mr. SHANK. He said that he would like to have us see Mr. Hines and make an appointment for him to see Mr. Reynolds—Mr. George M. Reynolds.

Senator HARDWICK. Why?

Mr. SHANK. He was in position to help the Speedway along, and ought to have some compensation for it.

Senator HARDWICK. And ought to have some compensation for it?

Mr. SHANK. Yes.

Senator BECKHAM. Did he say how much?

Mr. SHANK. What is that?

Senator HARDWICK. Had you been able to figure at all how much?

Mr. SHANK. No sum was mentioned to me.

Senator HARDWICK. What did you tell him?

Mr. SHANK. I told him that I would see what Mr. Hines said.

Senator HARDWICK. Did you see what Mr. Hines did say?

Mr. SHANK. What is that?

Senator HARDWICK. Did you communicate with Mr. Hines?

Mr. SHANK. I did.

Senator HARDWICK. Then what did you do? Did you tell Mr. Trainer what Mr. Hines said?

Mr. SHANK. I did not have a chance to, it was a couple of days after that before I saw Mr. Trainer again. I was called to Mr. Newman's office.

Senator FRANCE. Why is it you think he wanted to see Mr. Hines and Mr. Reynolds together?

Mr. SHANK. To make some arrangement to get a commission.

Senator FRANCE. Did he say that?

Mr. SHANK. No.

Senator FRANCE. Did he say that that he wanted to see Mr. Reynolds?

Mr. SHANK. Yes; he said that he wanted to have Mr. Hines go with him to Mr. Reynolds.

Senator FRANCE. Is Mr. Reynolds a banker?

Mr. SHANK. He is.

Senator FRANCE. Did he state that he wished to call at the bank to see Mr. Hines?

Mr. SHANK. No; he did not say where he was going to call on him.

Senator FRANCE. You do not recall the words which he used when he stated that he wished to go with Mr. Hines to call on Mr. Reynolds?

Mr. SHANK. Not exactly. I could not swear to his exact wording.

Senator FRANCE. But you are under the impression, you say, because the banker's name was mentioned, that he desired to call with

: Hines upon a banker with reference to some financial transaction?

Mr. SHANK. Yes, sir.

Senator FRANCE. Can you think of any other reason why he should wish to call with Mr. Hines upon Mr. Reynolds, the banker?

Mr. SHANK. No.

Senator FRANCE. Mr. Reynolds had not had anything to do with this transaction?

Mr. SHANK. I do not think he had ever heard of it.

Senator HARDWICK. Have the Senators any other questions to ask.

Senator FRANCE. I have not.

Senator BECKHAM. No, Mr. Chairman.

Senator HARDWICK. Mr. Adcock, you may now inquire.

Mr. ADCOCK. I can ask a few questions until I can get the report.

Senator HARDWICK. Yes.

Mr. ADCOCK. The first time you met Mr. Trainer was the time you went out to view the Speedway?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. Where did you meet then?

Mr. SHANK. In my office, I think, or down in front in the automobile; I would not say positively which.

Mr. ADCOCK. And you went from there to the Speedway Park?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. You say you were gone about two hours?

Mr. SHANK. Something of that kind.

Mr. ADCOCK. Mr. Wheelock was with you?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. Where did you sit in the automobile?

Mr. SHANK. In the front seat, with Mr. Clark.

Mr. ADCOCK. Was anything said to Mr. Clark about commissions or compensation?

Mr. SHANK. Not a word.

Mr. ADCOCK. What was discussed on that occasion?

Mr. SHANK. The different sites suitable for hospital purposes.

Mr. ADCOCK. Was anything said about the Speedway?

Mr. SHANK. Considerable.

Mr. ADCOCK. What is that?

Mr. SHANK. I would say there was considerable talk about the Speedway.

Mr. ADCOCK. What was said about it?

Mr. SHANK. The size of it, and the drains and the roads, and such things as that—the physical condition of it.

Mr. ADCOCK. Was anything said about the ball park as a site?

Mr. SHANK. Yes; Mr. Trainer said they would also look at the ball park.

Mr. ADCOCK. On the way out?

Mr. SHANK. No; not on that day at all.

Mr. ADCOCK. They had looked at it?

Mr. SHANK. No; they had not. I think they were going to look at it; he mentioned one or two other places, too.

Mr. ADCOCK. What date was this; do you remember?

Mr. SHANK. No; I do not.

Mr. ADCOCK. Did you endeavor to refresh your recollection before coming here as to the date?

Mr. SHANK. No; I did not.

Mr. ADCOCK. There was no way by which you could refresh ~~no~~ recollection?

Mr. SHANK. Not that I know of.

Mr. ADCOCK. Do you remember whether anything was said ~~a~~ ~~about~~ any project for construction of a hospital at the ball park in ~~con~~ junction with the Government?

Mr. SHANK. No.

Mr. ADCOCK. And the State, and certain gentlemen who were to put up \$100,000 apiece?

Mr. SHANK. Not at that time.

Mr. ADCOCK. Not at that time?

Mr. SHANK. No, sir.

Mr. ADCOCK. No mention of that?

Mr. SHANK. No mention of that.

Mr. ADCOCK. You do not remember whether Mr. Reynolds was mentioned as one of the subscribers to that fund, do you?

Mr. SHANK. I never heard of Mr. Reynolds as a subscriber to any fund.

Mr. ADCOCK. So that there was not anything mentioned at that time about any compensation?

Mr. SHANK. No, sir.

Mr. ADCOCK. Mr. Clark did not say anything about that?

Mr. SHANK. No, sir.

Mr. ADCOCK. Neither did Mr. Trainer?

Mr. SHANK. No.

Mr. ADCOCK. Was there any mention of the fact that the ball-park project had been or was being then considered by the Surgeon General's office?

Mr. SHANK. Only as to the site; that was all.

Mr. ADCOCK. Only as to the site?

Mr. SHANK. Yes.

Mr. ADCOCK. Was anything said by Mr. Trainer to the effect that he had been requested by Dr. Billings to make an examination of the ball park as a possible project, or a possible site, to carry out the State and Government idea that he had with these gentlemen who were to subscribe?

Mr. SHANK. No; I do not think Dr. Billings's name was mentioned. I do not remember it.

Mr. ADCOCK. You say you are hard of hearing?

Mr. SHANK. A little bit.

Mr. ADCOCK. Mr. Foster is not hard of hearing?

Mr. SHANK. No; not very.

Mr. ADCOCK. He hears well, does he?

Mr. SHANK. I think so.

Mr. ADCOCK. Was Mr. Foster present at the conversation in your office that you mention, where you say you think that there was something said about compensation by Mr. Trainer?

Mr. SHANK. Yes.

Mr. ADCOCK. He was present during all the conversation, was he?

Mr. SHANK. Yes.

Mr. ADCOCK. While that subject was mentioned?

Mr. SHANK. Absolutely.

Mr. ADCOCK. Was this before or after the meeting of June 25 in Mr. Newman's office—that is, when you say you think compensation was mentioned?

Mr. SHANK. I think it was after.

Mr. ADCOCK. You think it after?

Mr. SHANK. I think so.

Mr. ADCOCK. There was no mention of commission or anything like that in Mr. Poppenhusen's office when Mr. Newman, Mr. Poppenhusen, Mr. Trainer, and Mr. Hodge were present?

Mr. SHANK. No.

Mr. ADCOCK. Were you present at any conversation when Mr. Trainer was present other than the one you have mentioned when commissions were spoken of?

Mr. SHANK. I do not think so.

Mr. ADCOCK. Will you tell us just exactly what Mr. Trainer said that made you think he wanted commissions?

Mr. SHANK. I think I covered that very thoroughly.

Mr. ADCOCK. I would like to hear you say it again.

Mr. SHANK. I told you I did not remember the exact language. It would be an inference on my part.

Mr. ADCOCK. It would be entirely an inference?

Mr. SHANK. Yes.

Mr. ADCOCK. But you can not recall any words that were used to make you infer, or surmise, or suspicion that they were seeking commissions or that Mr. Trainer was?

Mr. SHANK. I do not think so.

Mr. ADCOCK. You can not recall any?

Mr. SHANK. I can not recall the language that would lead me to think so.

Mr. ADCOCK. You do not remember at that conversation, or at any other conversation, hearing any amount mentioned, do you?

Mr. SHANK. No.

Mr. ADCOCK. What was it you said to Mr. Hines in reporting that conversation?

Mr. SHANK. I reported to Mr. Hines that Mr. Trainer wished to have a meeting with him to see George Reynolds.

Mr. ADCOCK. And to obtain a commission of how much?

Mr. SHANK. There was no amount mentioned to me.

Mr. ADCOCK. No amount mentioned in the conversation with Mr. Hines?

Mr. SHANK. I do not think so.

Mr. ADCOCK. What is your best recollection?

Mr. SHANK. That there was no amount mentioned.

Mr. ADCOCK. If in the testimony which you gave before Maj. Stotesbury you stated that you reported to Mr. Hines that there was \$100,000 mentioned, that they demanded \$100,000, then would that be your recollection now?

Mr. SHANK. No; it would not.

Mr. ADCOCK. I will have to get that report. Who was present with Mr. Trainer when you saw him at Gerstenberg's some time ago?

Mr. SHANK. I do not know the gentleman. He introduced him to me, but I did not catch his name.

Mr. ADCOCK. Was it H. McGurn?



Mr. SHANK. It might have been. I do not know.

Mr. ADCOCK. Was this conversation you had with Mr. Trainee-Gerstenberg's after the newspaper article appearing in the Chicago Tribune about November 30?

Mr. SHANK. I do not read the Chicago Tribune but very little.

Mr. ADCOCK. Why do you not?

Mr. SHANK. Because I do not believe a damned word it prints.

Mr. ADCOCK. Did you know that such an article had been printed?

Mr. SHANK. No; I did not.

Mr. ADCOCK. What commissions did Mr. Trainer mention? You said he was in Chicago on some commission in reference to hospitals at that time.

Mr. SHANK. The Surgeon General's commission was all, or representing the Surgeon General's office. I think that was it.

Mr. ADCOCK. Did you understand there were other gentlemen on that commission with him?

Mr. SHANK. Oh, yes; certainly.

Mr. ADCOCK. This was in June?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. Did he give any names of the other members of the commission?

Mr. SHANK. Dr. Gorgas, Gen.—I have forgotten the next general to him—Col. Frank Billings, and I think somebody else.

Mr. ADCOCK. Did he say by whom the commission was appointed?

Mr. SHANK. No; Dr. James, I think, of the University of Illinois, if I am not mistaken.

Mr. ADCOCK. Do you know when the convention of doctors and surgeons was held in Chicago?

Mr. SHANK. That was the time they were all out there.

Mr. ADCOCK. That was the week beginning the 10th of June, was it not?

Mr. SHANK. I have no idea when it was.

Mr. ADCOCK. That was when you went out—

Mr. SHANK (interrupting). I know the doctors were in convention when Trainer and Mr. Clark and myself went out there.

Mr. ADCOCK. If it should be ascertained that the convention was held during the week commencing the 10th of June—

Mr. SHANK (interrupting). That would be the week.

Mr. ADCOCK. That would be the week?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. The 13th of June?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. How long after your trip to the ball park was it that Mr. Trainer and Mr. Clark, as you say, came to your office and had this conversation with you and Mr. Foster?

Mr. SHANK. I should guess it was about four or five days or a week; something of that kind.

Mr. ADCOCK. Did they make any appointment with you?

Mr. SHANK. No.

Mr. ADCOCK. They just came into the office?

Mr. SHANK. Yes.

Mr. ADCOCK. When you went out to the Speedway, they telephoned you, did they not?

Mr. SHANK. Somebody did; I don't know who.

Mr. ADCOCK. Now, about this meeting of the 25th of June. How did that come about?

Mr. SHANK. I have no idea. I was called up and asked to come over and bring Mr. Wheelock with the plan.

Mr. ADCOCK. Who called you up?

Mr. SHANK. I have no idea who called me up.

Mr. ADCOCK. You have no recollection, then?

Mr. SHANK. No, I did not get the message. Somebody in the office got it.

Mr. ADCOCK. Could you surmise?

Mr. SHANK. I think somebody from Newman's office.

Mr. ADCOCK. Then you do have an idea, have you not?

Mr. SHANK. How is that?

Mr. ADCOCK. Then you do have an idea?

Mr. SHANK. I have none except I was asked to Mr. Poppenhusen's office.

Mr. ADCOCK. I asked you if you had an idea who called you up.

Mr. SHANK. I presume somebody from Mr. Newman's office.

Mr. ADCOCK. Did you go into Mr. Poppenhusen's private office when you got to the office of the firm of Newman, Poppenhusen, etc.?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. How did it happen that you went into Poppenhusen's private office?

Mr. SHANK. That was where I was told to go.

Mr. ADCOCK. So that you have an idea now that Mr. Poppenhusen called you up?

Mr. SHANK. No, I do not think so.

Mr. ADCOCK. Or somebody for Mr. Poppenhusen?

Mr. SHANK. Somebody for the office there.

Mr. ADCOCK. How did it happen that the other gentlemen came, Mr. Trainer and Mr. Hodge?

Mr. SHANK. They were there when I got there.

Mr. ADCOCK. And you have no idea how they came?

Mr. SHANK. I have not a particle.

Mr. ADCOCK. Could you surmise?

Mr. SHANK. No.

Mr. ADCOCK. You have no suspicion whatever?

Mr. SHANK. Not a bit.

Mr. ADCOCK. You had had this project up with the Government before, had you not?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. And it was taken up with the Government under the name of the George H. Shank Co.?

Mr. SHANK. No, sir—George H. Shank.

Mr. ADCOCK. Under George H. Shank, that is, the individual?

Mr. SHANK. Yes.

Mr. ADCOCK. And that is yourself?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. And you were the one, up to that date, who was interested in the project appearing on paper, were you not?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. Did you consider that this meeting of the 25th was in your interest?

Mr. SHANK. I did not know.

Mr. ADCOCK. You did not know?

Mr. SHANK. No, sir.

Mr. ADCOCK. Did you think it was in the interest of the proposition that you had up with the Government?

Mr. SHANK. No, because that proposition had been declined.

Mr. ADCOCK. Had been declined entirely?

Mr. SHANK. This was new stuff.

Mr. ADCOCK. What was the proposition that you had theretofore up with the Government?

Mr. SHANK. It did not get to the dignity of a proposition.

Mr. ADCOCK. On how many occasions before this had this Speedway Park property been offered to the Government?

Mr. SHANK. Once.

Mr. ADCOCK. For what purpose?

Mr. SHANK. I will qualify that—twice.

Mr. ADCOCK. Twice?

Mr. SHANK. Yes.

Mr. ADCOCK. Is this recollection, or surmise?

Mr. SHANK. Neither one. This is the right stuff.

Mr. ADCOCK. It is the right stuff?

Mr. SHANK. Yes.

Mr. ADCOCK. That is what we want.

Mr. SHANK. It was first offered in January to the Government for a large warehouse and storage yard for the engineering department and the Signal Corps and the Quartermaster Corps, is my remembrance.

Mr. ADCOCK. Who offered that to the Government?

Mr. SHANK. Mr. S. H. Hodge.

Mr. ADCOCK. When was that offered?

Mr. SHANK. In January.

Mr. ADCOCK. 1918?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. That was, however, before Mr. Hodges went into the Government service?

Mr. SHANK. I do not know.

Mr. ADCOCK. He did not have anything to do with any of your projects after he went into the Government service?

Mr. SHANK. No, sir.

Mr. ADCOCK. That is, as far as any compensation for him was concerned?

Mr. SHANK. That is true.

Mr. ADCOCK. Any interest which he took was merely the interest—

Mr. SHANK (interposing). Of a friend.

Mr. ADCOCK. Of a friend, or in connection with his duties.

Mr. SHANK. As a Government employee.

Mr. ADCOCK. As a Government employee.

When was the hospital project taken up?

Mr. SHANK. Shortly after that.

Mr. ADCOCK. Do you hear me all right?

Mr. SHANK. Yes, sir. The warehouse business conflicted with a deal that Mr. Poronto had down here.

Mr. ADCOCK. Who is Mr. Poronto?

Mr. SHANK. He is the vice president of the Chicago Junction Railroad, and manager of the Central Manufacturing District.

Mr. ADCOCK. What are his initials, so that the reporter may have it?

Mr. SHANK. I think it is H. E., if I am not mistaken. The quartermaster of Chicago had passed on Mr. Poronto's deal, wished it in preference to the one we had, so we withdrew our proposition. One night at the dinner table Mr. Poronto, Mr. Hodge, and Maj. Magnuson—

Mr. ADCOCK. He formerly lived in Chicago, did he not?

Mr. SHANK. Yes; were dining—

Mr. ADCOCK. When was that?

Mr. SHANK. In January. He says:

Well, you do not want to waste your time on a speedway park for a warehouse. The Government ought to have it for a hospital. That is the best place in town for it.

That is what started the hospital business. I asked him some questions about it, and he said he was connected with that department.

Mr. ADCOCK. Meaning?

Mr. SHANK. The Surgeon General's Department. A day or two after that we had a conference with him.

Mr. ADCOCK. At Washington?

Mr. SHANK. Yes; and he took us to see Col. King, the head of that department. The colonel listened very politely to us, and when we got all through he says:

I am sorry, but I do not have any money to devote to hospitals at all, no appropriation, and I would not even know how to get one.

That settled that.

Mr. ADCOCK. And that was in January?

Mr. SHANK. My remembrance is that it was in January.

Mr. ADCOCK. When did you employ the firm of Newman, Poppenhusen, etc., on this hospital proposition?

Mr. SHANK. Well, I never did employ them. They were not in my employ.

Mr. ADCOCK. Did Mr. Hines?

Mr. SHANK. He is Mr. Hines's counsel; yes.

Mr. ADCOCK. Do you know whether or not Mr. Poppenhusen was here in Washington in May in regard to the hospital project?

Mr. SHANK. I do not know anything about when he was here or how often.

Mr. ADCOCK. You were not here?

Mr. SHANK. I might have been; I do not know.

Mr. ADCOCK. When did you first talk to Mr. Erskine about hospitals?

Mr. SHANK. The first time I ever saw Mr. Erskine was in Mr. Newman's office the date of the meeting with Mr. Trainer.

Mr. ADCOCK. Were any plans drawn prior to July 2, 1918, for a hospital on this property?

Mr. SHANK. Some sketches, that is all.

Mr. ADCOCK. Who drew those?

Mr. SHANK. Mr. Wheelock.

Mr. ADCOCK. For what kind of a hospital was it?

Mr. SHANK. The same thing that we have got out here now, three stories high instead of four.

Mr. ADCOCK. What was it to be built of?

Mr. SHANK. Brick and concrete.

Mr. ADCOCK. No wood to be used in it?

Mr. SHANK. Some, not very much.

Mr. ADCOCK. Not very much. Was it concrete and brick?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. When were those plans drawn?

Mr. SHANK. I have no idea. They worked on them off and on for some time.

Mr. ADCOCK. Did you ever build any warehouses or other things for the Government?

Mr. SHANK. Yes; I built four warehouses for the Medical Department of the Government.

Mr. ADCOCK. Where are they located?

Mr. SHANK. At 39 Federal Street, Chicago.

Mr. ADCOCK. Who represented you in those transactions?

Mr. SHANK. Hodge & Chandler.

Mr. ADCOCK. When?

Mr. SHANK. Two of them I had practically finished when the war broke out. It was on Decoration Day, 1917, I think it was that I got a telephone communication asking me to come over to the building, that a Col. Niskern of the Quartermaster's Department wanted to see me. I went over there and he wanted to know if I could lease to the Government those buildings. I told him that I did not care to because I was building them for a concern of mine, and I did not like the kind of lease the Government made anyway. He says, "You are not very patriotic, are you?" I said, Yes, that I thought I was. "Well," he says, "it does not make any difference whether you want to rent them or whether you do not. You have leased them. I will take these buildings." He says, "How soon can you get them finished?" "What do you want me to do," I asked. He outlined everything. I kind of laughed, and said, "Do you expect to pay any rent for them?" He says, "Oh, yes. What are you asking for them?" I says, "30 cents a foot." He says, "No. I will not pay you 30 cents a foot, but I will give you 28 cents a foot. If you are not satisfied with 28 cents, we will leave it to arbitration to see whether you are justified in charging 30 cents." I says, "Rather than to have any fuss about it, if you want to do business on 28 cents, you can."

Mr. ADCOCK. The proposition that had been made to the Government in this hospital project at the Speedway, and also the original warehouse, was made to you individually, was it not?

Mr. SHANK. Yes.

Mr. ADCOCK. Who represented the owners of the Speedway? Mr. Hines?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. Mr. Hines and yourself, as I understand it are the owners of the Speedway?

Mr. SHANK. Mr. Hines and my corporation.

Mr. ADCOCK. Your corporation. I see. How did the meeting of July 2 come about?

Mr. SHANK. I have no idea.

Mr. ADCOCK. No idea, whatever?

Mr. SHANK. I was invited over to bring Mr. Wheelock and his sons again.

Mr. ADCOCK. Was there any meeting between June 25 and July 2?

Mr. SHANK. Not that I know of. I was not at any other meeting.

Mr. ADCOCK. Did anybody, did you have any idea who invited you to go over to Mr. Poppenhusen's office?

Mr. SHANK. A telephone call, I presume from Mr. Newman's office.

Mr. ADCOCK. And when you got there you went directly into Mr. Poppenhusen's private office?

Mr. SHANK. Mr. Newman's private office.

Mr. ADCOCK. Then you think probably Mr. Newman or some one Mr. Newman invited you?

Mr. SHANK. I think so.

Mr. ADCOCK. Was Mr. Clark there at the time of that conversation?

Mr. SHANK. I do not think so; I do not remember Mr. Clark being there.

Mr. ADCOCK. No mention of any commissions?

Mr. SHANK. Not a word.

Mr. ADCOCK. But merely the general subject of hospitals discussed?

Mr. SHANK. Yes.

Mr. ADCOCK. There was no mention of commissions at the June 25 meeting?

Mr. SHANK. No.

Mr. ADCOCK. What was Mr. Trainer's attitude with reference to hospitals at Speedway Park at the July 2 meeting?

Mr. SHANK. Why, a kind of a biased judge, and, as I understood it, there was nothing definite about the meeting. It was only an outline of the different projects there were in Chicago, and listing what and how each one of them could be handled.

Mr. ADCOCK. The feeling you had was that it would be helpful, for was a matter for the benefit of the Government?

Mr. SHANK. I do not think that part of it came up.

Mr. ADCOCK. He talked enthusiastically upon hospitals?

Mr. SHANK. Absolutely.

Mr. ADCOCK. And how about Mr. Hodge?

Mr. SHANK. Mr. Hodge I do not think said three words while he was in the room.

Mr. ADCOCK. He was not hostile, was he?

Mr. SHANK. No.

Mr. ADCOCK. You never understood that Mr. Hodge was asking for a commission?

Mr. SHANK. I agreed to pay Mr. Hodge a commission for the sale of the Speedway Park of \$50,000.

Mr. ADCOCK. But you never understood that Mr. Hodge expected a commission if this matter was sold to the Government after he went into the service?

Mr. HODGE. Absolutely not.

Mr. ADCOCK. And he went into the service, I understand it, if that is your recollection, about March 15?

Mr. SHANK. I have no idea, only it was early in the spring some time.

Mr. ADCOCK. So at the time on July 2, when you were there and when Mr. Hodge was there in Mr. Poppenhusen's office on the 25th, you did not understand that he was there seeking a commission, did you?

Mr. SHANK. Absolutely no.

Mr. ADCOCK. And at different times that you saw Mr. Hodge in connection with this matter, after he went into the service, merely as a friend and in his capacity as an official of the Government, was it not?

Mr. SHANK. That is absolutely true.

Senator HARDWICK. Let us see. This \$50,000 commission referred to some previous dealing which you had had with him?

Mr. SHANK. I had placed with Hodge & Chandler the sale of this property.

Senator HARDWICK. When?

Mr. SHANK. In December of the year before the war broke out.

Senator HARDWICK. December, 1916?

Mr. SHANK. Yes.

Senator HARDWICK. And that was the transaction you referred to?

Mr. SHANK. Yes.

Senator HARDWICK. But they did not get you a purchaser.

Mr. SHANK. They came pretty near it, but the war broke out and nothing could be done.

Senator HARDWICK. Did you give them \$50,000?

Mr. SHANK. No, sir.

Senator HARDWICK. You agreed to give it if they got a sale?

Mr. SHANK. Yes, sir.

Senator BECKHAM. Did you ever put the property in the hands of Mr. Trainer or Mr. Clark?

Mr. SHANK. Hodge & Chandler were the only ones, and Mr. Hines told me to give it to them.

Senator HARDWICK. Mr. Shank, when you were told by Mr. Hines that these gentlemen wanted to see you about the commission business, what did he tell you?

Mr. SHANK. He told me that he would meet them.

Senator HARDWICK. Did you communicate that to them?

Mr. SHANK. No; I did not have a chance to. We had another meeting before that.

Senator HARDWICK. What other meeting?

Mr. SHANK. A meeting before I saw them. The next time was at that meeting.

Senator HARDWICK. At Mr. Newman's office?

Mr. SHANK. At Mr. Newman's office.

Senator HARDWICK. How did you come to go to that meeting?

Mr. SHANK. I was invited there.

Senator HARDWICK. By Mr. Newman?

Mr. SHANK. Somebody from his office.

Senator HARDWICK. So you are not the man that told Mr. Bennett to go and see Mr. Newman about this thing?

Mr. SHANK. Oh, no.

Senator HARDWICK. Do you know where he probably got that information?

Mr. SHANK. I have no idea where he got that.

Senator HARDWICK. Why did you go on with this work to such an extent and spend so much money until you got the approval of the Secretary of War?

Mr. SHANK. Because I am in the habit of doing work for the Government just that way. I built all four of those buildings, amounting to \$4,000,000.

Senator HARDWICK. During war time?

Mr. SHANK. Yes, on a bare letter.

Senator HARDWICK. You thought you had all the authorization necessary?

Mr. SHANK. Absolutely.

Senator FRANCE. For whom were they built?

Mr. SHANK. The Medical Department has occupied them.

Senator FRANCE. I thought they were for your own purposes.

Mr. SHANK. Two of them, and afterwards two more.

Senator HARDWICK. How much money have you spent on the hospital now?

Mr. SHANK. More than a million dollars.

Senator HARDWICK. In round numbers?

Mr. SHANK. About that.

Senator HARDWICK. And you believed from your previous dealings with the Government that you had all the authorization needed?

Mr. SHANK. Absolutely.

Senator HARDWICK. Did they point out to you that nothing would amount to anything unless the Secretary of War finally approved this business?

Mr. SHANK. No, sir. Nobody told me anything about the Secretary of War having to sign it. The Secretary of War never did sign anything else that I did for them. As a matter of fact I know of another deal that the Secretary of War did not sign. On the warehouse there at Toronto drew \$400,000, and the Government paid it. It was signed by Maj. Gen. Goethals.

Senator HARDWICK. I was just wondering why you would go along and spend a million dollars on this project in the face of a statement that some of these gentlemen that you were warned——

Mr. SHANK (interposing). Not me.

Senator HARDWICK (continuing). That you took this at your own risk and went ahead at your peril. Would you have done that if you had known that?

Mr. SHANK. Not on your life! Col. Wright did make this statement, "You understand that I will have to have the signature of Gen. Marshall on this project. He is out of town now but will be back some tomorrow."

Senator HARDWICK. Who said that?

Mr. SHANK. Col. Wright.

Senator HARDWICK. So you thought it was a mere formality?

Mr. SHANK. Absolutely nothing else.

Senator HARDWICK. Well now I notice in the record there is one telegram from Col. Wright saying that when you applied for priorities to clear you had not even got any contract?

Mr. SHANK. It was not Col. Wright that sent that.

Senator HARDWICK. It was signed by Col. Wright.



Mr. SHANK. It did not make any impression on me. Mr. Foster, my partner, called me up and read that telegram over the telephone.

Senator HARDWICK. It looks as if that would make an impression.

Mr. SHANK. Not necessarily. I just supposed that some of the crowd had stepped on themselves, and did not know what they were talking about. I had it in that contract, if you will remember, as a sale of 320 acres of land, and I signed it to sell it. They did not release me. They did not cancel the contract and send it back to me, they did not do anything in a business way, and they did not order me to stop work.

Senator HARDWICK. When you first asked the War Priorities Board for clearance, did not Wright send you a telegram?

Mr. SHANK. Wright? I do not think so.

Senator HARDWICK. That is a matter of record, but my recollection is that he did. Did you, Col. Wright?

Col. WRIGHT. I sent a telegram signed Marshall.

Senator HARDWICK. Signed by Marshall?

Mr. SHANK. It did not make any impression on me anyway.

Senator HARDWICK. You thought it was all fixed?

Mr. SHANK. I thought somebody had simply made a mistake down there, that was all. I came to Washington a few days after that and asked to see Mr. Hare or Mr. Crowell.

Senator HARDWICK. Even after that telegram came it did not make any impression on you at all, and you thought the contract was fixed, and you were going right ahead?

Mr. SHANK. Why, certainly, and they can hold me up on it if they want to. Until they cancel that contract for the sale of that land I will keep right on.

Senator FRANCE. In other words, you were under the impression that you were bound to proceed?

Mr. SHANK. Absolutely.

Senator FRANCE. And you would have been liable to the Government in view of the necessity for the completion of the contract if you had not proceeded?

Mr. SHANK. Yes.

Senator HARDWICK. Were you urged by any of these officers to go ahead at once—that the balance was a mere formality?

Mr. SHANK. That was all I heard for a week or more.

Senator HARDWICK. That was the time that they were anxious to get hospitals?

Mr. SHANK. You bet they were anxious. They were more than anxious.

Mr. ADCOCK. I want to know if Mr. Shank has a lawyer? Did you have a lawyer?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. During this time?

Mr. SHANK. No.

Mr. ADCOCK. Mr. Dunn?

Mr. SHANK. Mr. Dunn represents the concern.

Mr. ADCOCK. Did he represent your concern and you individually while these negotiations were going on?

Mr. SHANK. Mr. Newman did that for Mr. Hines, not for me.

Mr. ADCOCK. Did you have any talk with the lawyer about the proceedings?

Mr. SHANK. We had more than 400 talks.

Mr. ADCOCK. What did he say?

Mr. SHANK. Why, he told me to go ahead.

Mr. ADCOCK. Mr. Newman?

Mr. SHANK. Yes. He was at the meeting when we closed the contract.

Mr. ADCOCK. So you really went ahead on the advice of your attorney?

Mr. SHANK. Yes.

Senator HARDWICK. And you have done a million dollars' worth of work on the face of that understanding?

Mr. SHANK. I did a million dollars' worth of warehousing—worse in that.

Senator HARDWICK. What did you say you did?

Mr. SHANK. A million dollars' worth of warehousing, and no contract at all.

Senator HARDWICK. And you did not have any contract in those cases?

Mr. SHANK. Not at all. They called me on the work, to see if I could do the work. That is the way they would do business. They would send me a letter and write: "Do not wait for the contract. Go ahead and do it."

Senator HARDWICK. Have you been able to get money? That is the reason you have this bill downstairs here. Have you been able to get money, too?

Mr. SHANK. Absolutely. They paid every dollar they owed me.

Senator BECKHAM. He completed the contracts. This was not contested. One of the officials built an office that cost \$20,000.

Senator HARDWICK. That was on a telephone order?

Mr. SHANK. Yes; but they afterwards sent a letter confirming the telephone order.

Senator HARDWICK. Do you have a contract with the Secretary of War about it?

Mr. SHANK. Never heard of the Secretary of War.

Senator FRANCE. Suppose you had said to a man giving you that letter that you would not proceed until you had the contract signed by all the heads of these bureaus, some six?

Mr. SHANK. They would have kicked me out.

Senator FRANCE. And until after all those six heads of departments had signed, and the contract had also been approved by the Secretary of War, would they have approved of such action, do you think?

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Senator HARDWICK. Would it make any difference, Mr. Shank, whether the Government was ordering on its own initiative work to be done and where an outside party was offering to enter into a contract with the Government—I mean with respect to these matters that you are talking about, going ahead on this?

Mr. SHANK. No; I do not think it would. What difference would it make?

Senator HARDWICK. These other cases where they paid you money simply telephoning you were not contract propositions, were they?

Mr. SHANK. Yes; why would they not be? It was a contract for me to do a lot of work.

Senator HARDWICK. Did you get them by competitive bidding?

Mr. SHANK. No. I do not get any of my work by competitive bidding. I do not bid for work for anybody or with anybody.

Senator HARDWICK. It is a matter of contract?

Mr. SHANK. Yes.

Senator HARDWICK. Let me see now if we can go into this thing a little right here. At this first meeting when Mr. Erskine was present in Col. Wright's office, was it understood these agreements and plans and approvals did not amount to anything so far as making a contract was concerned until the contracts were presented to the Secretary of War, or the Acting Secretary of War; that you had no binding contract until that was done?

Mr. SHANK. That was not my understanding of it. My understanding was that the different departments had all approved it beforehand, the Surgeon General and the Construction Division.

Senator HARDWICK. The Surgeon General's Office and the Construction Division and the War Industries Board and every other necessary bureau and division except—

Mr. SHANK. Except the Priorities Board.

Senator HARDWICK. Had approved it?

Mr. SHANK. Yes.

Senator HARDWICK. Were you advised that all these things were necessary in order simply to present the matter to the Secretary of War?

Mr. SHANK. I did not even know that they had to present it to the Secretary of War. I supposed they had authority to go ahead and do business.

Senator HARDWICK. Were you with Mr. Erskine on the occasion you refer to?

Mr. SHANK. Mr. Erskine was in Col. Wright's office twice when I was there. I think that is all.

Senator HARDWICK. I mean the last time when they got the contract ready for you to sign?

Mr. SHANK. Yes.

Senator HARDWICK. Were you warned then by anybody that you must not go ahead and build?

Mr. SHANK. No, sir.

Senator HARDWICK. You got the other impression?

Mr. SHANK. No; I was not in the office all the time they were talking.

Senator HARDWICK. I mean by anything that was said in your hearing?

Mr. SHANK. Not a thing; the only impression I got was to get away and get away quickly.

Senator HARDWICK. I just wanted to develop that line. That has been bothering me, why you would spend so much money under such circumstances?

Mr. SHANK. I think Col. Wright asked me this question about the same way.

Col. WRIGHT. Mr. Shank evidently had an entire misunderstanding about the necessity of obtaining the approval of the Secretary of War on any expenditure for the Army.

Senator FRANCE. For construction work.

Col. WRIGHT. Yes.

Senator HARDWICK. This other work that he did was for the Army, was it not?

Col. WRIGHT. I know nothing about that.

Senator FRANCE. The testimony this morning was to the effect that the commission had authority to go ahead and close contracts without reference to any superior authority at all. Maj. Holden testified that in his division a commission was formed that had the right to go on and select hospital sites, enter into a lease, and bind the Government.

Col. WRIGHT. Yes, sir.

Senator FRANCE. That is inconsistent with the testimony you have given.

Senator HARDWICK. Were those contracts that you referred to when you did \$400,000 worth of work on telephone orders; were they with the War Department?

Mr. SHANK. Certainly; they were depot warehouses for the Surgeon General's office.

Senator HARDWICK. For the Surgeon General's office or the Quartermaster's Department?

Mr. SHANK. Surgeon General.

Senator HARDWICK. Goethals was the Quartermaster General.

Mr. SHANK. Yes, but he was the one that signed the letter.

Mr. BENNET. It was another letter under which they did \$400,000 worth of work.

Mr. SHANKS. I did a million dollars' worth.

Senator HARDWICK. For this same War Department?

Mr. SHANKS. Certainly. It was on an order of Col. Wells and Maj. Gen. Goethals, the people that signed the letter.

Col. WRIGHT. It was not in our division.

Answering your question, a memorandum was carried and presented to the Secretary of War stating exactly the purposes of this committee, and the amount of money necessary to do what they had to do, to try and obtain the authority requested for this commission to be appointed, with full authority to closes leases and bind the Government.

Senator HARDWICK. For hospitals?

Senator FRANCE. In other words there were many different policies and practices. Gen. Goethals and the Quartermaster Department had the authority to call up a man on the telephone and bind the Government, the telephone conversation confirmed by letter. The commission had the right to go out and enter into a lease and bind the Government. And yet your department, even after it had formally signed a contract—

Senator HARDWICK. Formally recommended.

Col. WRIGHT. We did not sign the contract.

Senator HARDWICK. You recommended it to the Secretary, but did not sign.

Senator FRANCE. You merely approved it, but you had no power then to order the work to proceed.

Col. WRIGHT. No, sir.

Senator FRANCE. And you never did under any circumstance order any work to proceed until the Secretary of War had approved the contract?

Col. WRIGHT. Only to the extent of \$5,000, which is the privilege of any bureau chief.

Senator FRANCE. In other words you are prepared to state now, Colonel, that under no circumstances did any contractor ever begin work under your division until the contract had been approved by the Secretary of War?

Col. WRIGHT. Until the project had been approved by the Secretary of War, so far as I know. The contracts were often executed later on.

Senator FRANCE. You are absolutely positive of that?

Col. WRIGHT. So far as I know no such orders were given without the authority of the Secretary of War.

Senator HARDWICK. How do you account for this million dollars' worth of work that this man did, on telephone orders?

Col. WRIGHT. I assure you I do not know. My special business for seven months was doing nothing but getting authorities from the Secretary of War to do work that we had to do.

Senator HARDWICK. They would do the work first and get the authority afterwards?

Senator FRANCE. Is this the first instance where you have known where a contractor has gone ahead under instructions from the Government, and where he has been caught in this situation? Is this the first instance?

Col. WRIGHT. The only case I know; yes, sir; and I have never known a case—in \$800,000,000 worth of work—I have never known where the contractors did not receive from the construction division, if it was a work under us, a wire or letter authorizing him to proceed with the work, even if the contract was not officially executed.

Senator FRANCE. You say even if the contract was not officially executed?

Col. WRIGHT. Not officially executed.

Senator FRANCE. In other words, they sometimes did get instructions to go ahead before the contract was officially authorized?

Col. WRIGHT. But not until authorized by the Secretary of War in writing.

Senator HARDWICK. Then he would approve the contract if authorized in writing?

Col. WRIGHT. Most of the work in the construction division was done on what is known as the standard form of emergency contract, which had been approved by the Secretary of War very early in the war. If we wanted to start work on a cantonment, for instance, the estimates, plans, and everything were submitted to the Secretary and he approved the project. From then on the work could be immediately started by wire and the form of this emergency contract executed just as soon as the papers could be drawn.

Senator HARDWICK. Let us take that principle and apply it to this case. So far as we have heard here, Mr. Baker approved in a general way this project.

Col. WRIGHT. That I do not know.

Senator HARDWICK. That has been testified that he approved the project and sent it to the Surgeon General's Office; that is, he did not

do it in writing, but he told them it could be worked out if worked out properly. That is parallel to what you just said, if it is true.

Col. WRIGHT. No; the other way. The other cases that I have been closely in touch with, similar to Mr. Shank's, were the erection of warehouses, were the erection of the Chicago depot warehouses which consisted of a complete proposal made by the central manufacturing district to sell the property and to build on that property certain buildings for a flat sum of money. That went through a good deal the same channels that Mr. Shank's proposal did. In other words, it was carefully analyzed as to cost of the property, a complete agreement was drawn up to be signed by both parties, if approved. That agreement was sent up to the Secretary of War, exactly the same form as Mr. Shank's was, and his approval given not only on the building and the expenditure, but the form of contract to be entered into, and directed the Construction Division to execute such a contract. Mr. Shank's proposal was handled in exactly the same manner—

Senator HARDWICK. Except that the secretary withheld his signature?

Col. WRIGHT. Except that the secretary withheld his signature. Now in the case of warehouses for the Central Drainage District, before the contracts were finally executed, upon receipt of the authority of the Secretary of War, a letter was directed to the Central Manufacturing District telling them to immediately proceed with the work, which they did. The cases are absolutely parallel except that in Mr. Shank's case we signed the contract, or had him sign it and identify the plans, so that he could get back to Chicago, and those would be identified in case approval was received.

Senator FRANCE. Now would there have been any criticism of Mr. Shank if he had at that time said to you, "Now the Government needs hospitals. You say you are in desperate need of accommodations, but I absolutely refuse to go ahead in this matter until all of these papers have been approved, and finally approved by the Secretary of War." Would there have been any criticism of him?

Col. WRIGHT. Not in the slightest in the world.

Senator FRANCE. Well now of course Colonel, you have brought out the very interesting fact that your division was operating differently from all of the other divisions of the Government?

Col. WRIGHT. Possibly so.

Senator FRANCE. Because as a matter of fact not only testimony here to-day but the testimony available in connection with other problems, is very clear to the effect that contracts were undertaken, that is work was undertaken, under uncompleted contracts, under contracts merely by an officer of the Government, and legislation has been necessary in order to give equitable relief to men who have gone ahead with those contracts. So you have brought out a very interesting fact, that so far as your division is concerned, you have operated differently from all the other divisions of the Government. Of course it would have been manifestly impossible for the Secretary of War to sign every contract and to have approved every contract either for buildings or other things.

Col. WRIGHT. On the contrary, the Secretary of War has approved, or the assistant Secretary, practically every project that the construction division has built. I do not say now that he has ap-

proved the type of contract, but he has authorized everything that costs more than \$5,000. His name is signed to it.

Senator FRANCE. Was it his practice to refuse to follow the recommendations of the divisions in such matters, or did he generally approve after all these formalities had been gone through?

Col. WRIGHT. I might answer that this way, that the connection between Secretary Baker and Secretary Crowell's office and the Construction Division have been very close, so that Mr. Crowell very often calls up and asks for Gen. Marshall to come up and talk over these projects with him.

Senator FRANCE. But was it the practice of the Secretary of War to follow the recommendations of the divisions or was it the practice to personally investigate every project and pass upon its merits himself without relying upon the judgment of the various divisions having the work immediately in charge?

Col. WRIGHT. Of course it is inevitable that he could not pass on all of them, and I think on most of the projects presented by the Construction Division he placed a great deal of weight on our analyses, and knew that the study was given just the same way that it was given in the case of Mr. Hines.

Senator HARDWICK. Pursuing this very interesting inquiry, this proposition comes up apparently approved by every official who has handled it, as I understand it—is that right?

Col. WRIGHT. Yes, so far as I know.

Senator HARDWICK. The Surgeon General's Office and the Construction Division, and so on. Do you know of any other case than this one where that was true where it was turned down?

Col. WRIGHT. The only exactly similar case that happened so far as I know was in connection with the Chicago depot warehouses.

Senator HARDWICK. He approved that?

Col. WRIGHT. Yes.

Senator HARDWICK. Did he ever finally disapprove any where every division had approved it?

Senator FRANCE. This is a very pertinent question. If it was the practice of the War Department to follow the recommendations of the divisions having work in charge, and if it was almost universally the practice of the War Department to accept your findings, and if this is an isolated case, standing by itself, in which the Secretary of War finally disapproved your findings, then it is for us to find out why that was done. In other words, this machinery which was usually operated in a certain way, did not operate in that way in this case. Now we want to find out whether anybody threw a monkey wrench into the machinery. That is the whole object of this inquiry. Now if we knew of any other instance where the machinery of the Government did not operate in that usual way, another instance comparable to this, we would like to have it. You say the Chicago warehouse proposition was finally approved?

Col. WRIGHT. Yes, sir.

Senator FRANCE. So that is eliminated. Now is there any other case similar to this?

Col. WRIGHT. In the first place, did I make it clear that so far as my knowledge went there never was a case that went through the same as Mr. Shank's except the depot warehouse?

Senator FRANCE. Yes.

Col. WRIGHT. Where it was introduced complete by outside parties. Now going on further, there were numerous cases originating in the bureaus themselves that went up to the Secretary which were approved after being recommended by various bureaus.

Mr. BENNET. I think I can possibly elucidate. I think what is in your mind Senator, is this, is there any other case in the \$800,000,000 worth of work that was done under the Construction Division where, when the department that wanted the building, had recommended it, and the construction division had recommended, and it had been cleared by the War Industries Board, had been recommended by the real estate section, had been approved by the chief of operations, it was not approved by the Secretary?

Col. WRIGHT. It would be impossible to answer that question because our projects reach all the way from \$1,000 to \$50,000,000.

Mr. BENNET. I means a substantial proposition running into millions where, after the department that was interested—in this instance the Surgeon General, had approved it, the construction division had approved it, the real estate department had approved the price of the land, the Priorities Department had cleared it, and the chief of operations had approved it, that the Secretary of War had failed to approve it.

Col. WRIGHT. I can not answer about all of those things.

Senator FRANCE. Now Colonel, isn't it true, going back to the original proposition, that there were two methods of procedure that might have been followed with reference to a construction proposition. One method would be that by which the divisions would practically decide and by which the Secretary then would give his formal approval. That is the method which you followed. The other method would have been a method by which you have merely been a recommending body to lay the whole matter before the Secretary. Under that method, a detailed investigation would have been necessary in each particular case on the part of the Secretary. Now, as a matter of fact, you followed the method of formulating the plans and of recommending them to the Secretary, he merely formally approving them. That was the plan followed rather than the plan in which he would have investigated himself every project?

Col. WRIGHT. Yes, sir.

Senator FRANCE. So that this is without any reference to what happened, a most unusual case.

Col. WRIGHT. Yes, sir.

Senator FRANCE. Not only that, but the Secretary of War had, I think, the evidence in the case that the Secretary of War had known about this, and had in a way approved it. Not only that, but the work was stopped by a letter, as we understand it, which went to the Secretary of War just at the last moment, so to speak, a letter from Col. Hornsby with reference to the character of the land. In other words, there is something, it seems to me, to indicate that a most unusual happening interfered with the orderly progress of the governmental machinery in this particular instance.

Col. WRIGHT. I just want to say this, that so far as the Construction Division's relations with the Assistant Secretary and the Secretary are concerned, he has always taken a very active part in the



Mr. SHANK. It did not make any impression on me. Mr. Foster, my partner, called me up and read that telegram over the telephone.

Senator HARDWICK. It looks as if that would make an impression.

Mr. SHANK. Not necessarily. I just supposed that some of the crowd had stepped on themselves, and did not know what they were talking about. I had it in that contract, if you will remember, as a sale of 320 acres of land, and I signed it to sell it. They did not release me. They did not cancel the contract and send it back to me, they did not do anything in a business way, and they did not order me to stop work.

Senator HARDWICK. When you first asked the War Priorities Board for clearance, did not Wright send you a telegram?

Mr. SHANK. Wright? I do not think so.

Senator HARDWICK. That is a matter of record, but my recollection is that he did. Did you, Col. Wright?

Col. WRIGHT. I sent a telegram signed Marshall.

Senator HARDWICK. Signed by Marshall?

Mr. SHANK. It did not make any impression on me anyway.

Senator HARDWICK. You thought it was all fixed?

Mr. SHANK. I thought somebody had simply made a mistake down there, that was all. I came to Washington a few days after that and asked to see Mr. Hare or Mr. Crowell.

Senator HARDWICK. Even after that telegram came it did not make any impression on you at all, and you thought the contract was fixed, and you were going right ahead?

Mr. SHANK. Why, certainly, and they can hold me up on it if they want to. Until they cancel that contract for the sale of that land I will keep right on.

Senator FRANCE. In other words, you were under the impression that you were bound to proceed?

Mr. SHANK. Absolutely.

Senator FRANCE. And you would have been liable to the Government in view of the necessity for the completion of the contract if you had not proceeded?

Mr. SHANK. Yes.

Senator HARDWICK. Were you urged by any of these officers to go ahead at once—that the balance was a mere formality?

Mr. SHANK. That was all I heard for a week or more.

Senator HARDWICK. That was the time that they were anxious to get hospitals?

Mr. SHANK. You bet they were anxious. They were more than anxious.

Mr. ADCOCK. I want to know if Mr. Shank has a lawyer? Did you have a lawyer?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. During this time?

Mr. SHANK. No.

Mr. ADCOCK. Mr. Dunn?

Mr. SHANK. Mr. Dunn represents the concern.

Mr. ADCOCK. Did he represent your concern and you individually while these negotiations were going on?

Mr. SHANK. Mr. Newman did that for Mr. Hines, not for me.

Mr. ADCOCK. Did you have any talk with the lawyer about the proceedings?

Mr. SHANK. We had more than 400 talks.

Mr. ADCOCK. What did he say?

Mr. SHANK. Why, he told me to go ahead.

Mr. ADCOCK. Mr. Newman?

Mr. SHANK. Yes. He was at the meeting when we closed the contract.

Mr. ADCOCK. So you really went ahead on the advice of your attorney?

Mr. SHANK. Yes.

Senator HARDWICK. And you have done a million dollars' worth of work on the face of that understanding?

Mr. SHANK. I did a million dollars' worth of warehousing—worse than that.

Senator HARDWICK. What did you say you did?

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Senator FRANCE. And until after all those six heads of departments had signed, and the contract had also been approved by the Secretary of War, would they have approved of such action, do you think?

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Senator HARDWICK. These other cases where they paid you money by simply telephoning you were not contract propositions, were they?

analyses of propositions and never has acted only in a formal way in signing, unless the thing was very small.

Senator HARDWICK. I do not see how he could have done that during this war.

Col. WRIGHT. I never saw two men work like they have.

Senator HARDWICK. Did you have any rejections?

Col. WRIGHT. Oh, yes, numerous ones. The Secretary and Assistant Secretary were also influenced a great deal by the recommendations of the Director of Operations and Gen. Jervay.

Senator HARDWICK. I understand, but when all of these recommendations occurred, were they any rejections?

Col. WRIGHT. Yes, sir, there have been a great many.

Senator HARDWICK. Will you send a list to the committee?

Senator FRANCE. Well, Colonel, you do not mean to say that every presumption was not in favor of the approval by the Secretary after you have carefully worked out and approved certain plans?

Col. WRIGHT. No, sir.

Senator FRANCE... In other words, it was to be presumed that he would approve unless something unusual happened?

Col. WRIGHT. Yes.

Mr. BENNET. This was regarded as an emergency matter, and part of the contract as dictated is this memorandum:

"The work contracted for being emergency requirement, no advertisement for bids was published in newspapers, by order of the Secretary of War, General Order No. 49, dated April 28, 1917."

Col. WRIGHT. Yes, sir.

Senator FRANCE. I think it is very clear.

Mr. BENNET. I think there is one thing that the Colonel may draw a distinction between. Could I ask him one question?

Senator HARDWICK. Yes.

Mr. BENNET. You stated that it was the custom of Secretary Crowell sometimes frequently to consult with Gen. Marshall while projects were under way.

Col. WRIGHT. While projects were being considered.

Mr. BENNET. In the Construction Division?

Col. WRIGHT. Before he had approved it?

Mr. BENNET. Yes; and before your formal recommendation for approval was made?

Col. WRIGHT. Yes, sir.

Mr. BENNET. Now, is it not a fact that the rejections you refer to are rejections that were made by the Assistant Secretary of War before the formal recommendation of Gen. Marshall was made?

Col. WRIGHT. Practically all of those that I referred to were papers that went up there and came back marked "B. Crowell."

Mr. BENNET. I should be glad if you would produce a paper of any sort of that character.

Col. WRIGHT. I have made a statement with reference to a contract of some size.

Mr. BENNET. I am talking about a contract involving a million dollars or over.

Senator FRANCE. I think the practice of the Government is perfectly clear. If you had not followed that course the war could not have been carried on.

Senator HARDWICK. Have you finished with Mr. Shank? I think we were through.

Mr. ADCOCK. Did I understand you to say that you attended a meeting at Mr. Poppenhusen's office or Mr. Newman's office called by Mr. Trainer?

Mr. SHANK. No.

Mr. ADCOCK. You do not want to be understood as saying that?

Mr. BENNET. I should like to ask just one more question. When this whole subject was fresh in your mind, did you and Mr. Foster on the same day see Mr. Hines and state almost literally what Mr. Trainer and Mr. Clark said to you?

Mr. SHANK. Mr. Foster did the talking.

Mr. ADCOCK. You didn't say anything about it?

Mr. SHANK. I did not do any of the talking to amount to anything.

Mr. BENNET. And that is the time Mr. Hines said he did not see Mr. Trainer?

Mr. SHANK. Yes, sir.

Mr. BENNET. At the time this contract was signed, did you have any conversation with Col. Wright that day?

Mr. SHANK. Yes.

Mr. BENNET. Just tell in substance what Col. Wright told you about going on with the work.

Mr. SHANK. In Chicago?

Mr. BENNET. Yes.

Mr. SHANK. He shook hands with us and told us to get busy, go to Chicago and get busy.

Mr. BENNET. Did you make any request of him in relation to the work?

Mr. SHANK. I did. When Mr. Erskine, Mr. Newman and myself and Col. Wright got into the automobile after having left his office—I had to go to the Raleigh Hotel and pick up my baggage and get out—Mr. Schmidt and the other gentlemen were to meet me at the train—I think I told him that a great deal depended on him and his actions as to how we would get along, and I asked him to give me a good superintendent that knew his business, and one who was not afraid to swear a little once in a while, and he said he would, and he would help me in every way, shape and form, and he has done everything he could do for me.

Mr. BENNET. Now a few days after that he was out with Col. Sterritt. Did you see him at that time?

Mr. SHANK. Yes, I do not know as I talked with him.

Mr. BENNET. But you saw him on the work?

Mr. SHANK. Yes.

Mr. BENNET. And the work was progressing?

Mr. SHANK. Yes.

Mr. BENNET. Did he give you any orders to quit?

Mr. SHANK. No. They had another gentleman along with them, one of the Chicago priorities board, and I was trying to have them help me out to get some oxygen acetylene gas. They did not seem to know how to get it. They did not turn me down, but they did not help me any.

Mr. BENNET. Col. Wright didn't say anything about stopping the work?

Mr. SHANK. Not a word.

Mr. BENNET. And the men working there were plainly visible to the naked eye?

Mr. SHANK. Absolutely.

Mr. ADCOCK. When you and Mr. Foster saw Mr. Hines you say there was no amount of money mentioned as compensation?

Mr. SHANK. No.

Mr. ADCOCK. Have you done anything since the time you testified before Maj. Stotesbury that causes your recollection of these different conversation to be better now than then?

Mr. SHANK. No; I think it is the same now as then.

Mr. ADCOCK. The lapse of time makes no difference?

Mr. SHANK. I do not think so.

**TESTIMONY OF MR. EDWARD HINES, OTIS BUILDING,  
CHICAGO, ILL.**

(The witness was sworn by the acting chairman.)

Mr. BENNET. May I ask a preliminary question of a leading character?

Senator HARDWICK. Yes.

Mr. BENNET. Mr. Hines, you are the president of the Edward Hines Lumber Co., a \$20,000,000 corporation in Chicago, and are operating what I understand is the largest lumberyard there is anywhere?

Mr. HINES. That is not the capital, but it is the largest lumberyard in the world.

Mr. BENNET. In area?

Mr. HINES. Yes; and in volume of business.

Mr. BENNET. And you started your connection with the lumberyard, as I recollect it, as an office boy at \$4 a week, and have risen to be president of the company, which has at present not only that but many other yards. Is that correct?

Mr. HINES. Yes, sir.

Mr. BENNET. Now, in the summer of 1918, in addition to your very sad domestic affliction, which has been alluded to here, were there things of a public character which were engrossing your mind?

Mr. HINES. Yes, sir. I was in Washington as a member of the executive committee of the National Lumber Manufacturers' Association, arranging to mobilize the lumber to supply the Government with very large quantities of lumber required at different points.

Mr. BENNET. What was your connection with the Wisconsin Lumbermen's Association?

Mr. HINES. I was also chairman of the Wisconsin Lumber Manufacturers' Association, and one of the executive officers of the Southern Manufacturers' Association.

Mr. BENNET. Did you have any connection with the Michigan Association?

Mr. HINES. I was chairman of the Wisconsin Manufacturers' Association and supplied 100 cars of lumber per day for the Rock Island cantonment upon practically a 72 hours' notice. I supplied 55 cars out of Chicago on 6 hours' notice for Fort Sheridan. Had it

on the ground within 24 hours from the time the telephone order arrived.

I was also chairman of the Chicago Wholesale Manufacturers, who have the furnishing of all the material for the Great Lakes, and furnished 100 cars per day out of Chicago during that period for the Government.

I also assisted the Michigan Manufacturers' Association in supplying what they could not furnish of the large amount of lumber at Battle Creek, Mich.

Mr. BENNET. Did you have any connection with the Southern Lumber Association?

Mr. HINES. Yes; I am one of the board of directors of the Southern Manufacturers' Association that was in Washington assisting in the arranging of the yellow pine for shipbuilding and for the various cantonments.

Mr. BENNET. So that during the months of June, July, and August, 1918, you had more than enough matters of a public nature to occupy your time and attention?

Mr. HINES. I was very busy.

Mr. BENNET. When the Government needed lumber to erect a cantonment at Fort Sheridan in a hurry, how rapidly were you able to furnish it by reason of your organization?

Mr. HINES. On Sunday afternoon I received a telephone call that they would want from 50 to 60 cars loaded on Monday. I was able to get 55 cars on our tracks at 5 o'clock Sunday evening, and at 4 o'clock Monday morning we had a number of automobile trucks taking lumber to Fort Sheridan, and 55 cars were on the ground Tuesday at 7 o'clock.

Mr. BENNET. Did you wait until you got the formal approval of the Secretary of War?

Mr. HINES. I did not.

Mr. BENNET. In any of these lumber operations, where the Government needed lumber in the months of June, July, and August, did you ever wait for a formal signed contract from the Secretary of War when they wanted something?

Mr. HINES. Orders amounting to millions of dollars were furnished on the telephone, and were on the way long before orders were received.

Mr. BENNET. And in relation to these matters, was there any difficulty experienced in collecting your money from the Government?

Mr. HINES. I never had any difficulty with any department of the Government. We received our money reasonably promptly and had very courteous treatment there.

Mr. BENNET. Now in relation to this southern lumber, has there been any effort made to find out whether the price received by the southern manufacturers was full compensation for the value of the lumber?

Mr. HINES. For a period of about five months it was not a full compensation, through a misunderstanding.

Mr. BENNET. I do not understand you to be complaining.

Mr. HINES. It was an honest misunderstanding on the part of the Government.

Mr. BENNET. Now there has been some attempt to make an aspersions upon your connection with the Speedway project. In order

to save time. I will attempt a summary. and if I do not give it correctly, call my attention to it.

The Edward Hines Lumber Co. and the Shank Co. came into this Speedway proposition originally in this wise.

(Thereupon a roll call of the Senate was announced, and the sub-committee at 3.55 p. m. took a recess. At 4 o'clock p. m. the committee adjourned until to-morrow, Thursday, January 30, at 10.30 o'clock a. m.)

## MILITARY HOSPITALS.

THURSDAY, JANUARY 30, 1919.

UNITED STATES SENATE,  
SUBCOMMITTED ON PUBLIC BUILDINGS AND GROUNDS,  
*Washington, D. C.*

The subcommittee met, pursuant to adjournment, in the committee room in the Capitol at 10.30 o'clock a. m., Senator Thomas W. Hardwick presiding.

Present: Senators Hardwick, Beckman, France, and Lenroot.

### TESTIMONY OF MR. EDWARD HINES—Resumed.

Mr. BENNET. When we adjourned last night I was asking, I think, if you were president of any other lumber companies except the Edward Hines Lumber Co.

Mr. HINES. Yes; I am president of the Virginia & Rainy Lake Lumber Co., a corporation of \$11,000,000 capitalization, of Minnesota; the St. Croix Lumber & Manufacturing Co. of Winton, Minn.; the Park Falls Lumber Manufacturing Co., a corporation of \$3,600,000 capitalization, of Park Falls, Wis.; the Edward Hines Trusteeship of Mississippi, a trustee corporation with assets of about \$15,000,000; also of the Jordan River Lumber Co., of Kiln, Miss.; of the Lumberton Mill Co. of Lumberton, Miss.; and some minor corporations.

Mr. BENNET. Are your stock holdings in each of these corporations substantial?

Mr. HINES. I own the controlling interest in all the corporations except one, and a very large interest in that one.

Mr. BENNET. You stated yesterday that you and your associates in the lumber industry, when you were asked to mobilize lumber for the Government in June, July, and August, 1918, had shipped a great many hundreds of millions of feet, as I figured up hastily, but you did not state the approximate rough value of that lumber.

Mr. HINES. Oh, \$25,000,000 or \$30,000,000 worth.

Mr. BENNET. And for that \$25,000,000 or \$30,000,000 worth of lumber, so shipped at the request of the Government, did you have a written contract signed by the Secretary of War in any single instance?

Mr. HINES. No, sir. It was all emergency work.

Mr. BENNET. And done in practically every instance on either telephonic or telegraphic order?

Mr. HINES. Yes, sir.

Mr. BENNET. So it did not impress you as anything unusual when you came down here on the 31st of August and found out that Mr.



Shank was going out to Chicago to put up this hospital simply on the say-so of the Government officials?

Mr. HINES. I was in Washington that particular day on other business, and Mr. Shank telephoned me along a little after noon—he was stopping at the Raleigh Hotel and I was stopping at the Willard Hotel—that everything had been arranged satisfactorily, and they were to sign the contract that afternoon, and he asked me if I would come over to the Raleigh Hotel. I went over to the Raleigh Hotel, and I met Mr. Newman and Mr. Shank and Mr. Erskine.

Mr. BENNET. There was no representative of the Government there?

Mr. HINES. No, sir.

Mr. BENNET. Then I do not think we will go into that. Nothing that they said in the absence of representatives of the Government could bind the Government.

Mr. HINES. I also saw them after the contract was signed, late that afternoon, just prior to leaving for the train.

Mr. ADCOCK. When you say "signed," what do you mean?

Mr. BENNET. You mean signed by Mr. Shank?

Mr. HINES. Signed, as I understood it, by Mr. Shank.

Mr. BENNET. In view of the course of conduct which you had been pursuing with the Government, you did not consider it at all unusual that Mr. Shank was going out to Chicago to start the work before the contract was formally signed?

Mr. HINES. Particularly for the reason that he had explained in detail to me the way this matter had been taken up. Mr. Erskine had explained that he had personally seen Secretary of War Baker and related the substance of the conversation. I heard Mr. Erskine's testimony, and substantially it is exactly as related to me at that time. Also, Mr. Shank explained to me the time he had spent with the different surgical departments of the Government here, and that it had the entire approval of all of the doctors, and that it had been officially approved by Gen. Noble, at that time the Acting Surgeon General of the Army. He also explained the various interviews with the Government experts, going over these plans in detail. He explained that Col. Wright, acting for Gen. Marshall, of the construction department, had approved the contract; also at that time they explained that the other department would approve them just as fast as in the ordinary manner would be done. I asked Mr. Shank to stay over the next day; I wanted to discuss the matters in reference to this building with them; but he said he had promised Col. Wright that he would leave that night, and he was going back with Mr. Schmidt and Mr. Garden on the evening train.

Senator FRANCE. Why had he promised them that he would leave that night?

Mr. HINES. He said that time was a very essential feature; he had tried to get 120 days to complete this building, but they had at first limited him to 90 days; then, at Mr. Garden's earnest solicitation, one of the architects, it had been lengthened, as I understood it, to 100 days. The only thing in Mr. Shank's mind at the time was whether he could complete this structure within 100 days. There was rather a heavy penalty in the contract, which I read over, calling for, I think, a thousand dollars a day after a certain period if the contract

was not completed. That was the only thing that Mr. Shank was a little nervous about, so he suggested that every day meant a material item, and he went back that night in order to be there on the ground and arrange on Sunday—and Monday was Labor Day—to mobilize forces and have his tools put on the ground and commence work on Tuesday morning. He told me he thought he would start with a thousand men, and he had in a general way his outline of what he was going to do. In the meantime he had called up on the telephone while I was there his Chicago office and notified them that everything was arranged and to have his various superintendents—he was just about through with some other work for the Government and he had his organization all intact—and they were to meet him at the office, I think, on Sunday.

Inasmuch as they had gone through, as I looked upon it, more of the details with the various departments than any of the big contracts that I had filled, which amounted to a great deal of money, I did not question for a moment but that in every way it would be approved, and particularly where Secretary of War Baker himself, as Mr. Erskine explained, had given his moral approval, at least, by calling in Dr. Keppel, his third assistant, personally, and having him take Mr. Erskine directly to the surgical department, to Gen. Noble.

This matter had gone on for some 30 or 40 days through these various stages of approval, and Mr. Shank explained the details to some twenty-odd Government experts, architects, engineers, various officials, who had gone over these plans and specifications.

Mr. BENNET. In your experience in connection with the Edward Hines Lumber Corporation, have they ever bought out any other lumber businesses?

Mr. HINES. Yes, sir.

Mr. BENNET. About how many?

Mr. HINES. I should say from 30 to 40 institutions in various parts of the country.

Mr. BENNET. Those, of course, were all public matters?

Mr. HINES. Yes, sir.

Mr. BENNET. Is there any one single instance in which you bought out one of these 30 or 40 concerns and took advantage of their necessities?

Mr. HINES. I will say publicly, without challenge, never in a single case. Our institution never bought a concern out that was financially unsound or was in a crippled condition.

Mr. BENNET. In the panic of 1907 I presume your corporation, being rather rich and powerful, possibly had some chances to do that; did you not?

Mr. HINES. In 1907, just peculiarly, our institution was entirely out of debt. It was just a period when we had cleaned up our previous indebtedness, and we had in our hands in Chicago something like \$1,100,000 of business paper of other lumber concerns from Chicago to Tonawanda, N. Y. The panic came on, and in most instances the different concerns could not meet that paper, and I could give you a number of instances where we carried those concerns for periods of from 90 days to 9 months and a year's time during that panic. I also assisted in two or three cities, acting in the capacity

of adviser, to help concerns, keep them from bankruptcy. I served in an official capacity in some concerns with representatives of banks to help keep the concerns from bankruptcy.

Mr. BENNET. Were you awarded a fee as an administrator or something of that sort by a court in Michigan in one of these cases?

Mr. HINES. I was, and returned the check and stated that what I had done was for the good of the interests and the representative of the concern, and I would not accept a fee for it.

Mr. BENNET. The lumber manufacturers have a national association, have they not?

Mr. HINES. Yes, sir.

Mr. BENNET. What is the highest office in that association?

Mr. HINES. President of the National Lumber Manufacturers' Association of the United States.

Mr. BENNET. Have your competitors and associates in the lumber trade ever honored you by electing you president?

Mr. HINES. I was elected twice.

Mr. BENNET. Now coming to this Trainer matter, do you know Mr. Trainer, who sits here?

Mr. HINES. I never saw the gentleman until Mr. Shank pointed him out to me in a restaurant in Washington some 60 days ago.

Mr. BENNET. Do you know Mr. Clark, his partner?

Mr. HINES. I never had met Mr. Clark.

Mr. BENNET. When was the first time you saw him?

Mr. HINES. In this room.

Mr. BENNET. During this investigation?

Mr. HINES. Yes, sir.

Mr. BENNET. Did you ever have any business dealings, direct or indirect, with the real estate firm of Clark & Trainer in Chicago?

Mr. HINES. Never.

Mr. BENNET. And I take it that that answer covers not only you personally but the business organizations with which you are connected, so far as you know?

Mr. HINES. To the best of my knowledge and belief; anything of a large character I would know about.

Mr. BENNET. Now, just state when, if ever, it was first brought to your attention that Mr. Trainer, or the firm of Clark & Trainer, desired a commission in relation to anything out of the Speedway Park.

Mr. ADCOCK. The question is rather leading.

Mr. BENNET. I have been leading him right along. I admit that I plead guilty.

Senator HARDWICK. We will let you all lead here. You do not object, do you?

Mr. BENNET. I will change the form of the question.

Mr. ADCOCK. There has not been any testimony of Mr. Foster—

Mr. BENNET. I will strike it out. We will be regular. Do you remember an occasion in the latter part of June, 1918, when Mr. Shank and Mr. Foster came to your office in Chicago?

Mr. HINES. I do.

Mr. BENNET. Who was present?

Mr. HINES. Just prior to coming to my office, Mr. Foster called up on the telephone and asked if he could see me, and I said: "Yes; come over to the office." A very short time afterwards, Mr. Foster and Mr. Shank came into my room.

Mr. BENNET. Was anyone else present except Mr. Foster and Mr. Shank and yourself?

Mr. HINES. No, sir; in my private office.

Mr. BENNET. Now just tell the conversation, what was said between Mr. Shank, Mr. Foster and yourself. State it fully.

Mr. HINES. Mr. Foster did most of the talking, although Mr. Shank did some, also. He stated that they had just had a call at their office from Mr. Clark and Mr. Trainer, and that Mr. Trainer stated that he could be of material use in putting through the hospital at the Speedway Park; that of course he appreciated to do that his service was worth something, and that if they would arrange to have me meet Mr. Trainer and arrange then to have me guarantee or put the money up with Mr. Reynolds, Mr. Trainer could arrange to put this hospital project through. In a quiet way I questioned both Mr. Shank and Mr. Foster, and drew out of them practically the entire conversation that occurred in their office; and when I got through I said to Mr. Shank and Mr. Foster: "Gentlemen, I will not have a thing to do with this transaction. I refuse to meet Mr. Trainer or Mr. Clark, and I refuse to go to Mr. Reynolds on a transaction of this kind."

Mr. BENNET. Was any sum mentioned?

Mr. HINES. Yes. I asked them: "Did they say anything about what commission?" and, as I recollect, Mr. Foster stated that the sum was \$100,000. Then, another thing: Mr. Shank told me that Mr. Trainer was in the employ of the Government, in the surgical department; that he had taken over all the real estate for various hospital sites. The more I thought about the matter, the more serious I took it to be.

Mr. BENNET. Let us go step by step. Was that all the conversation, now, that you had with Mr. Shank and Mr. Foster?

Mr. HINES. Just for the moment, as my memory serves me.

Mr. ADCOCK. I have not objected to this, but I presume the committee will consider the probative value of the testimony so far as incriminating Mr. Trainer is concerned.

Senator HARDWICK. Oh, yes; we understand that. There have been great many things admitted here that would not be admissible under the rules of evidence, for both sides.

Mr. ADCOCK. I am assuming——

Senator HARDWICK. Yes; we know that—certainly.

Mr. BENNET. After Mr. Shank and Mr. Foster left your office, what, if anything, did you do in relation to calling up your counsel?

Mr. HINES. I think while they were there I spent 15 or 20 minutes going over this matter with them, and the more I went over it the more serious I took it to be; and while they were there I put in a call on Mr. Jacob Newman at his downtown office. I was informed that he was out playing golf. I then instructed our telephone girl to call up the golf links where he was. In a little while I received advice that he was out on the golf links, and would be in to lunch in a little while; so, with that, Mr. Shank and Mr. Foster left our office. I told them I was going to talk to Mr. Newman about the matter. In about an hour, I should judge, I put in another call for the golf links and located Mr. Newman. He was at lunch. He hurried to coming in. I said: "Mr. Newman, I want to talk to you,

and I want to talk to you this afternoon, and I think on a very serious matter, and I want you to come in immediately." With that, he said he would come in.

Mr. BENNET. And did he come in?

Mr. HINES. He did.

Mr. BENNET. And did you have a talk with him?

Mr. HINES. Yes, sir. I explained to Mr. Newman practically word for word just what Mr. Foster and Mr. Shank had told me, and he said that I had done the proper thing, and that had I been a party to a transaction of that kind it would have been criminal.

Mr. BENNET. Did you ever see Mr. Trainer after that?

Mr. HINES. I did not see Mr. Trainer at that time.

Mr. BENNET. That is true. My question was wrong. When did you first see Mr. Trainer?

Mr. HINES. The first time I saw Mr. Trainer, to the best of my memory, was in a restaurant in Washington.

Mr. ADCOCK. He has testified to that, I think.

Mr. BENNET. Casually?

Mr. HINES. In a restaurant in Washington.

Senator HARDWICK. About 60 days ago, he said.

Mr. BENNET. I beg your pardon. Did you repeat this information which Mr. Foster and Mr. Shank gave you to any other person at or near the time when it was given to you?

Mr. HINES. Except to Mr. Newman.

Mr. BENNET. Did you ever have any talk with Mr. George M. Reynolds about it?

Mr. HINES. Some time later; yes, sir.

Mr. BENNET. Can you fix the date with any accuracy when you talked to Mr. Reynolds?

Mr. HINES. I can get the approximate date, but, from memory, it was some time after Secretary Baker had caused an investigation to be made, and I gave my testimony before Gen. Stotesbury. The circumstance was this: I insisted upon Mr. Newman coming to Washington and notifying the proper officials of this circumstance.

Senator HARDWICK. Of the Trainer incident, you mean?

Mr. HINES. Yes, sir. Mr. Newman said that he would think the matter over that afternoon, just how to handle it.

Mr. ADCOCK. What day was that?

Mr. HINES. This was on the day that Mr. Shank and Mr. Foster came to my office. I have not got the date. I think I have got the memorandum, but just from memory I can not give it. I can give you the exact date, because I have a photograph of the telephone charges to the golf links of that day, and that confirms my memory of the exact date that I discussed this matter with Mr. Shank and Mr. Foster and Mr. Newman.

Mr. BENNET. What was that date?

Mr. HINES. And it is the only time I ever talked to that golf links in my life.

Mr. BENNET. Can you fix that date without referring to your memorandum?

Mr. HINES. No. I have my memorandum here. I do not pretend to carry the dates in my mind.

Mr. BENNET. Subject to change if the memorandum is produced—

Mr. ADCOCK. Where is the memorandum?

Mr. HINES. My secretary has it.

Mr. BENNET. It will take a moment to get it. If I should state to you, while it is being looked into, that that was the 27th of June, you would not disagree with me as to the date, would you?

Mr. HINES. I would not; but we can get the exact date in a moment.

Mr. BENNET. I will go on to something else while that is being produced. Now, when did you first bring this matter to the attention of anyone in Washington?

Mr. HINES. I can give you the exact date of that. [Examining memorandum.]

Mr. ADCOCK. What are you reading from, Mr. Hines?

Mr. HINES. A memorandum that I received from my secretary this morning of some dates, so that I could answer the questions a little more accurately. I can confirm the dates at any time from the facts.

On Monday, I think it was, October 26, Mr. Legge, who was vice chairman of the War Industries Board, with whom I had been acquainted in Chicago, and with which company I have done a great deal of business, telephoned for me to come down to his office. I went down about half-past ten in the morning. He said: "Mr. Hines, our office have had up the question of Mr. Shank, whom I understand you are associated with in a large way in building this hospital on the west side, and," he said, "there are some peculiar things in connection with it. I should like to ask you some questions about it." He said: "It has been approved by every department of the Government, including the War Industries Board, and cleared by it, and," he said, "there seems to be some question of why it is not going ahead. I should like to ask you some questions about it."

I told him I would be very glad indeed to give him any information he wanted. He was leaving that night for Paris, or the next day, I think Tuesday, for Paris, on a hurried trip. After I got through, he said: "This is very interesting." He said: "Would you go in and tell Mr. Baruch what you have told me?" I told him everything, except the incident of the Trainer episode, in connection with this matter.

Mr. ADCOCK. That is, to Mr. Legge?

Mr. HINES. To Mr. Legge. I said: "I do not care to go in and tell Mr. Baruch of this, but if he will be interested enough to send for me I would be very glad to tell him everything about the matter."

I returned to the hotel, and about 11 o'clock, I should judge a little after 11, I was called to the telephone, and Mr. Baruch asked me if I would come down to his office immediately. I told him I would be very glad to. He said: "Take a taxicab." I took a taxi and drove down to his office, and he said: "Mr. Legge has been telling me a good deal about this hospital situation. Now, Mr. Hines," he said, "I am very much interested in that." He said: "Mr. Erskine had explained to me some time ago about that hospital situation, and peculiarly, because in the building of it it will not require any material amount of material outside of what you have there, and will not entail bringing material from a long distance; and also," he said, "Mr. Erskine has explained to me, in a rough way, the purpose you have in building this hospital, and what a low price it is"; and he

said: "What is the trouble? Why does not the War Department go on with the proposition?" He said: "Every department has cleared it, including my department." He said: "I am very much interested in this matter. Can I be of any assistance to you?"

I felt that the man was really honest in wanting to be of assistance in this matter, and I said: "Mr. Baruch, from the way you approach this situation I feel that I would not be treating you right if I did not tell you an instance that I have my suspicions is what is really keeping this hospital from going ahead in the War Department." He said: "What is it?" Then I told him about the instance of Mr. Trainer's connection with it. He asked me: "Why did not Mr. Newman come here directly and tell the Government?" I said: "Mr. Newman told me that if he came down about that period and informed the Secretary of War about it, it would cause an investigation, and the chances were it would stop the project temporarily, at least, and as time was an essential in the completion of this building I should not make a formal complaint; but he, Mr. Newman, would in a quiet way inform, at the proper time, one of the officials of the Government about it." I said: "I acted upon Mr. Newman's advice, but," I said, "Mr. Baruch, to my mind I would be doing you an injustice, as chairman of the War Industries Board, and occupying the position you are here, when you offer to help in the proposition, if I did not tell you the whole facts."

He thanked me for telling him. He said: "Now, Mr. Hines, I will immediately see what I can do." I said: "I have an appointment this afternoon with Secretary of War Baker, which I made as quickly as I could upon returning from Europe, and," I said, "I have in mind telling the Secretary just what I have told you, irrespective of Mr. Newman's advice." He said: "Mr. Hines, you are doing the proper thing if you will do that." He said: "I am going to be up with Secretary of War Baker this afternoon at half past 4." I said: "My appointment is at 5 o'clock." He said: "I will immediately call up Mr. Hare"; and in front of me he called up Mr. Hare on the telephone, and tried to make an appointment. Mr. Hare was out to lunch. He tried to get Mr. Crowell on the telephone. Mr. Crowell was out of his office. This occurred approximately about 2 o'clock. We had a very long conversation, which lasted over two hours. I apologized for taking so much of his time, thanked him, and told him that I would tell Secretary Baker the whole thing.

Br. BENNET. It is difficult, always, to carry dates in your mind, and it is not very material—

Mr. HINES. This particular date I know positively about.

Mr. BENNET. Was it a Monday in October?

Mr. HINES. It was October 26.

Mr. ADCOCK. That was the Baruch conversation?

Mr. HINES. Yes. That afternoon I saw Secretary Baker—

Mr. BENNET. Just one minute. Was October 26 a Monday? Look at your calendar and see if October 26 was a Monday.

Mr. HINES. No; it was on Tuesday, October 29. That letter of October 26 is a letter I wrote Secretary Baker on that date.

Mr. BENNET. And it was on Monday the 28th that you saw Mr. Legge? Is that right?

Mr. HINES. Yes, sir.

Mr. BENNET. And on the 29th you saw Mr. Baruch, and subsequently—

Mr. HINES. No; I saw Mr. Legge, Mr. Baruch, and Mr. Baker on the same day.

Mr. BENNET. And that was—

Mr. HINES. That was either Monday or Tuesday, October 28 or 29. I am very positive it was on Monday, October 28.

Mr. ADCOCK. That is, that you saw Secretary Baker?

Mr. HINES. Yes, sir.

Senator HARDWICK. You saw all three of them?

Mr. HINES. I saw all three of them on the same day.

Mr. ADCOCK. I thought you stated that it was October 26.

Mr. HINES. October 26 was the date of the letter I wrote Secretary Baker. This was on a Monday, October 28.

Mr. BENNET. Whether you are right about the date or not, the facts as to what you said to Mr. Legge and Mr. Baruch are correct as you have stated them to the committee?

Mr. HINES. And I am very positive about the day of the week.

Senator HARDWICK. Yes; that does not make so much difference.

Mr. BENNET. That is not material. Did you repeat to Secretary Baker what you had told Mr. Baruch about the Trainer incident?

Mr. HINES. Yes, sir; and I explained every detail as well as I could in the time I had with Secretary of War Baker.

Mr. BENNET. Who was with you?

Mr. HINES. Mr. Erskine was with me.

Mr. BENNET. And what, if anything, was said at that time by both Mr. Erskine and yourself about requesting an investigation of this Speedway matter?

Mr. ADCOCK. Mr. Chairman, it seems to me that the witness ought to state what the conversation was with Secretary Baker.

Mr. BENNET. That is what he is going to do. Go right on and state what was said.

Mr. HINES. After I had explained the whole situation, everything that had occurred, as I understood it, during Secretary of War Baker's absence in Europe, and Mr. Erskine had explained the features that I did not know about, that he did know personally about, I then said to Secretary of War Baker that I felt that the circumstances and conditions warranted an immediate investigation of all the facts pertaining to the project. He stated that he agreed with me. I asked for a committee to investigate it, and he, in a kindly way, said that the Government had machinery for doing that, and he would request the Inspector General of the Army to make an investigation. He said: "Now, Mr. Hines, if you will be here tomorrow morning at 9 o'clock, I will have Inspector General Chamberlain here, and I will not say a word to Gen. Chamberlain until you get here. I will give you and Mr. Erskine an opportunity of hearing just what I say to Gen. Chamberlain, and if I overlook anything, both you gentlemen will have the opportunity to add anything which is material to the case." I thanked Secretary Baker for his kind consideration, and we left.

Mr. BENNET. Did you give him at that time a letter that you had prepared on the Saturday before?

Mr. HINES. I left with Secretary Baker a letter, feeling that he could have an opportunity to read it, maybe, over the evening; and



also, I think, what we classed as a brief history of the circumstances and data.

Mr. BENNET (handing letter to witness). Is this a copy of the letter which you gave to the Secretary on the 26th?

Mr. HINES. Yes; this is a copy of the letter dated October 26. Shall I read it?

Mr. BENNET. How does the committee feel about that?

Senator HARDWICK. I do not care one way or the other. You can read it, if you wish. It is short.

(Mr. Hines then read the following letter:)

WASHINGTON, D. C., October 26, 1918.

Hon. NEWTON D. BAKER,

*Secretary of War.*

DEAR SIR: Under what we understood to be your direction, we entered into negotiations last August with the Construction Department and prepared plans and specifications under its direction for the construction of a 2,500-bed fire-proof hospital and six additional buildings, on the Speedway Park, to cost (with 320 acres of land and improvements) \$2,500,000. The department's counsel prepared the contract for this work (herewith we hand you copy) and by the direction of the department on August 30, 1918, we executed the contract so prepared; and at the same time the plans and specifications were approved and signed by us and by the Construction Department.

On the same day we were directed by the department to proceed to Chicago and begin work which we did on September 3, 1918, and have expended over \$350,000 on the job, under the supervision of the Government's own representative, continuously, on the ground until about 10 days ago. In order to do this work we had to tear down existing structures which cost over \$200,000 about three years ago, and could not be reproduced for anywhere near that sum to-day.

On October 1, 1918, Mr. Hare, Assistant Secretary of War, informed us that inasmuch as the Government had not formally signed the document, the contract was not binding; but the Government would entertain a new bid to cover additional buildings. Mr. Hare then turned us over to the construction department, which prepared plans and specifications for 27 additional buildings on which we bid, and shortly thereafter prepared plans for eight buildings upon which we also bid. At the request of the department, we consolidated all the bids under a proposal dated October 12, 1918, which we transmitted to the department. Under this final bid the total work was to cost \$3,253,475 on the basis of 2,500 beds; or, at the end of eight years, if the Government preferred, we would take back the property so that the cost to the Government would be \$1,957,264, or \$783 per bed on the basis of only 255 beds; but on the basis of 4,000 beds (as hereinafter set forth) the cost would be only \$480 per bed.

This is only a very condensed statement of what occurred.

#### SPEEDWAY AND FIELD MUSEUM COMPARED.

We understand the Government recently took over the Field Museum at Chicago, and with your permission we will contrast the two projects.

The plans and specifications for the Speedway Hospital call for 440,000 square feet of space, and the Field Museum has available only 455,000 square feet. The museum is about 600 feet long by something over 300 feet wide, and is so constructed that a considerable part of the gross area can not be utilized for the location of hospital beds, while the Speedway Hospital was so designed that every foot is available for hospital purposes.

The cost of the Speedway Hospital is not estimated, but is specifically guaranteed by responsible people; on the other hand, the estimated cost of \$750 per bed for Fort Sheridan (of frame construction) or the estimated cost of \$452 per bed for the museum, is not guaranteed by any one. We have no hesitation. Mr. Secretary, in going on record that the estimated cost of \$452 per bed for the museum, will in the end, greatly exceed that amount. For hospital purposes the museum has less floor space than the Speedway Hospital. Therefore, if 4,000 beds can be located in the museum, at least an equal number of beds can be located in the Speedway Hospital. Locating 4,000 beds (instead

of 2,500 beds) in the Speedway Hospital (as the department proposes to locate 4,000 beds in the museum with about the same number of square feet) the cost of the Speedway project per bed, will be only \$489.

We are ready to submit this question of how many beds can be properly located in the museum and in the Speedway Hospital, respectively, to the Government Construction Department, and abide by its decision.

We are advised that the museum plans do not include a series of buildings and structures specifically called for by the Speedway plans; these buildings and structures will cost, in round numbers, at least, if not in excess, of \$300,000. Deducting this \$300,000 from the Speedway cost, makes the beds of the Speedway project cost \$414 per bed instead of \$489 per bed, and this cost is \$39 per bed less than the estimated cost per bed of the Field Museum project.

The Speedway project was specially designed by the Surgeon General's Office and the Construction Department for the purpose of creating a complete, modern, fire-proof reconstruction hospital, while the Field Museum under the most favorable conditions, and with the best of architects, must necessarily be something of a make-shift.

The museum adjoins the Illinois Central Railroad over whose tracks, we are creditably informed, about 1,500 trains pass daily. The noise, dirt, smoke, and gases from the engines will make it impossible to keep the doors or windows of the museum open summer or winter. In view of these undisputed facts we respectfully submit the selection of the Field Museum as a hospital for our soldier boys, many of whom will return nervous wrecks, is a grave error.

In addition to this, we are advised that the museum will be filled with lumber in the way of partitions, stairways, and floors, so that, to a very considerable degree, the museum can not be said to be a fire-proof hospital, while the Speedway building is fire-proof from foundation to roof.

#### LEASE OF SPEEDWAY PARK.

If the Government prefers, we will lease the Speedway Park for the period of eight years with the usual cancellation clauses. All the buildings and improvements required by the Surgeon General in accordance with the plans and specifications heretofore furnished us by the Construction Department will be built and completed by us for the sum of \$1,957,264. On the basis of 4,000 beds, this makes the cost \$489 per bed.

All improvements to revert to us at the end of the term.

For each year the property is retained by the Government, it is to pay as rental, a sum equivalent to a fair rate of interest on our additional investment of, in round figures, \$1,300,000.

Respectfully yours,

GEO. H. SHANK, *President Shank Co.*

At that time we figured that we would simply charge the four and a quarter rate for \$1,300,000, or approximately \$52,000.

Mr. BENNET. You mentioned the figure of \$489 per bed.

Mr. HINES. Yes, sir.

Mr. BENNET. If the Government had taken that hospital and kept it for the full term of eight years that they wanted, as I figure roughly, that would have been \$61½ per bed per year?

Mr. HINES. Yes, sir.

Mr. BENNET. Now, when you went back the next morning, who was present in addition to the Secretary?

Mr. HINES. I feel that at this time I should add this: It is not in your question, but I hope the committee will allow me to put it in.

As I was about to go into Secretary of War Baker's office the next morning, an officer came out of his room. Mr. Erskine said: "This is Col. Hornsby." As I went in I was introduced by Secretary of War Baker to Gen. Chamberlain, and also Mr. Erskine. We discussed matters a few moments, and Secretary Baker said: "Here is a letter that has just been handed to me by Col. Hornsby," and he passed it over to me about half way across the table, and then he said:

"I will read it," and he started to read it, and he read in substance the letter that was introduced here.

Mr. BENNET. That is, so far as it related to the Speedway property?

Mr. HINES. Yes, sir.

Mr. BENNET. What do you suggest should be done with the letter?

Mr. HINES. My first inclination was to tell Secretary Baker that this was a peculiar incident; that was absolutely wrong.

Mr. BENNET. Not what your inclination was; what did you do?

Mr. HINES. I turned to Secretary Baker, and I said: "Mr. Secretary, as you asked Gen. Chamberlain to investigate this whole project, would you kindly hand the letter to him?" I made no comment.

Mr. BENNET. In your presence and in the presence of Gen. Chamberlain, did Secretary Baker make a fair and complete statement of the Speedway project?

Mr. HINES. I want to say, gentlemen, that I was surprised, and so expressed myself, that the Secretary in the interval between evening and morning had gotten apparently all the situation in his mind, and related it right along in regular order, with uniform fairness, to Gen. Chamberlain; and when he concluded he asked me if I had anything to add, and I simply added that I should like to have Col. Wright and Maj. O'Brien, of the Construction Department, particularly, aid in this investigation, as they apparently knew all the circumstances.

Mr. BENNET. Now, omitting the facts in relation to the investigation, with which the committee is very familiar on account of Maj. Stotesbury's appearance here, did you see Secretary Baker after Maj. Stotesbury's report had been filed in the War Department?

Mr. HINES. Yes, sir.

Mr. BENNET. About when was that?

Mr. HINES. Some time in early December.

Mr. BENNET. Now, let me see if I can fix your mind a little clearer on that date.

Mr. HINES. I saw him several times.

Mr. BENNET. The Stotesbury report was filed by Maj. Stotesbury with his department on the 16th of November, and was transmitted by Gen. Chamberlain about the 18th of November. How soon after the 18th of November did you see him?

Mr. HINES. I saw him on November 22 at that interview.

Mr. BENNET. What did he state to you in substance at that time about the Stotesbury report and what he intended doing about the Speedway hospital?

Mr. HINES. I asked him if I could have an opportunity——

Mr. BENNET. Wait a moment. Who was present at that interview?

Mr. HINES. Let me see——

Mr. BENNET. Never mind.

Mr. ADCOCK. I should like to know.

Mr. BENNET. All right. Tell him who was present.

Mr. HINES. I am not positive, but I think Mr. Erskine was present, and I think Mr. Folsom was present at that interview. I may be mistaken about that.

Mr. BENNET. All right. Now state what the Secretary said.

Mr. HINES. I asked him if the report of the Stotesbury committee would be made public, and if I could have a copy of it; that I under-

stood from Gen. Chamberlain that the report had been handed to him, Mr. Secretary. He said that he did not feel like making the report public; that it was a document for the War Department, and unfortunately he could not give me a copy; but he said: "Mr. Hines, I can tell you this: That the report is in every way very commendable to the proposition; that in every way it shows that your purpose is as you first stated to me; also in every way it exonerates Mr. Erskine;" and he said, "I have just asked the doctors"—he said: "The armistice has been declared now"—this was several days after the armistice—and he said: "I have just asked the surgeons to make up a statement to see, in the face of the armistice being declared and the number of beds that they have obligated them to take, if it is not possible to utilize this hospital; and if it is," he said, "we will sign the contract, if you will just have patience."

I want at this time to add to my previous interview with Mr. Secretary of War Baker—

Mr. BENNET. Which one?

Mr. HINES. The day that I saw Mr. Baruch, just the prior one to this. When I met Mr. Secretary that afternoon I told him that the work on this hospital was progressing, and we had in the neighborhood of a thousand men employed, and I said: "We are in a very peculiar position, Mr. Secretary. As you know, they are wanting these beds very badly; and if we had stopped this work, or should stop it now, to give you an opportunity to make this investigation, it would materially delay the finishing of this building before cold weather"; and I said: "You understand we are going right on with the work?" He said he understood that, and he felt certain that if what I said was true, and he did not doubt it, and he so stated in my presence to Gen. Chamberlain—that he had every confidence in the statements of Mr. Erskine and myself, and so expressed himself publicly—that it would afford him pleasure to sign the contract immediately.

Mr. BENNET. As a matter of fact, you were still in correspondence with Secretary Baker about the hospital?

Mr. HINES. Yes; and I want to say that Secretary Baker had extended me every courtesy and had been very considerate throughout the entire transaction. The only ones who have not been were Assistant Secretary Crowell and Mr. Hare.

Mr. BENNET. Did not Maj. Stotesbury treat you nicely?

Mr. HINES. I did not class him as being in the War Department.

Mr. BENNET. You mean the civilian officials?

Mr. HINES. Yes, sir.

Mr. BENNET. I do not want to say anything harsh about our friend, Col. Wright.

Mr. HINES. I am just talking about the immediate War Department.

Mr. BENNET. As far as the men in uniform are concerned?

Mr. HINES. As far as the men in uniform are concerned, every other officer had been very courteous to me in Washington.

Mr. BENNET. Now I will just close with one thing, I think. At one time you owned the bonds—you and the Shank Co.—of this Speedway proposition; did you not?

Mr. HINES. Yes, sir.

Mr. BENNET. Which you had taken, as has been detailed, without going over it, in payment for a debt?

Mr. HINES. And for cash money advanced.

Mr. BENNET. Yes; at par?

Mr. HINES. Yes, sir.

Mr. BENNET. Was the interest on those bonds paid?

Mr. HINES. No, sir.

Mr. BENNET. Is it your recollection that some of the bonds had become due?

Mr. HINES. Yes, sir.

Mr. BENNET. It would have been perfectly possible for you to have foreclosed and acquired the title to this property by foreclosure?

Mr. HINES. Yes, sir.

Mr. BENNET. Were there persons other than yourself and the Shank Co. who had judgments against the Speedway Park Association subsequent to your mortgage, and were there open accounts against the Speedway Park Association?

Mr. HINES. In addition to the bonds—approximately about, I think, between a million and a quarter and a half—there were at that time judgments on record for some \$35,000, and open indebtedness, ranging all the way from \$50 to may be \$1,000, of over \$100,000.

Mr. BENNET. Instead of wiping out these judgments and outstanding indebtedness by a foreclosure, how did you acquire the title to the property of the Speedway Park Association?

Mr. HINES. Some of the stockholders, including the president, came to me and stated that they were rather in an embarrassing situation; they could not raise any more money, and that the judgment would be shortly foreclosed, and other judgments would be taken, and wanted to know if some arrangement could be made whereby this floating indebtedness could be paid. My name had been associated with this Speedway Park proposition in a moral way for some time, and I did not wish to have anything occur where a lot of innocent creditors would be obliged to suffer on account of giving credit to a concern that my name was connected with. For that reason Mr. Reed made this suggestion—that if I would agree to pay all the indebtedness, including the judgments, it would relieve the stockholders from the stockholders' liability or some charge. He asked me if I would consider doing that. I told him that I would see my attorney; and I called my counsel over and said: "Now, I will authorize you to go to the meeting"—Mr. Reed said he would call a public meeting—and if the stockholders would like to have this arrangement made, that I would see that all the indebtedness, something like \$130,000 or \$140,000, would be paid.

A public meeting was called. Notice was sent out to all the stockholders. There were three meetings. At the first meeting the general situation was taken up, their condition. At the second meeting the proposition was made; and at the third meeting, as I understood it through my counsel—I did not attend any of the meetings—it was put in a legal way; and I did cause all of the indebtedness to be paid, including judgments, so that there would be no one who had given credit, direct or indirect, to the Speedway project, or any indebted-

ness in regard to which Mr. Shank and myself were morally bound or legally bound, but that had been paid.

Mr. BENNET. In addition to seeing Secretary Baker, did you have any conferences with Secretary Crowell and Mr. C. Willing Hare?

Mr. HINES. Yes, sir. When Mr. Baker left Europe, and I learned—Mr. Shank informed me in Chicago—about there being some differences that had come up in regard to this contract, I told them I would come to Washington with him, and when I arrived here we tried to get in communication with Assistant Secretary Crowell, and found it very difficult.

Mr. BENNET. Did you finally get in touch with him?

Mr. HINES. After several days we succeeded in getting an interview.

Mr. BENNET. Did you have an extended interview?

Mr. HINES. I had an interview lasting not to exceed five minutes, and Mr. Crowell stood up while I was there. He told me that he did not have time to give such matters attention; that he had turned this matter over to his Mr. Hare, and that I would have to see Mr. Hare; and he called Mr. Hare in, and Mr. Hare took me to his room.

Mr. BENNET. You had various conferences with Mr. Hare in the early days of October?

Mr. HINES. Yes, sir.

Mr. BENNET. At the conferences you had with Mr. Hare on the 1st of October, if my dates are correct—were there one or two?

Mr. HINES. We had a conference in the morning and in the afternoon.

Mr. BENNET. And at the afternoon conference was anything done about sending you to the Construction Department?

Mr. HINES. Not that day; no, sir.

Mr. BENNET. When was that?

Mr. HINES. That occurred on the third day, the second day following my first interview with him.

Mr. ADCOCK. That would be October 3?

Mr. BENNET. October 3 or 4; around there.

Mr. HINES. On October 1 I had a conference with Mr. Crowell; later with Mr. Hare. On October 4 I had the conference referred to with Mr. Hare.

Mr. BENNET. And what, if anything, did he do at that conference about putting you in touch with the Construction Division.

Mr. HINES. On October 4 he stated that he wanted me to understand that he wished to deal directly with Mr. Shank and myself and no one else; that he did not want to talk with Mr. Erskine, for some reason, and he did not want to talk with Mr. Newman. I explained to Mr. Hare that Mr. Erskine had my full confidence, and that I wanted to be responsible for any representations Mr. Erskine had made, but of course he was in charge, and if he insisted upon seeing us alone we would abide by his decision.

Mr. BENNET. Did he call any one up on the telephone in your presence?

Mr. HINES. He said that he would telephone Col. Wright and arrange to have us go down and secure the blue prints and specifications necessary for the additional light structures to complete as he figured, make this a complete unit, and he wished to have me

stay in Washington until the final figures were in, and that I was not to see any one in Washington except Col. Wright, Maj. O'Brien, and himself until this matter was settled, and that he would try to arrange the matter satisfactorily.

Mr. BENNET. Did he call up Mr. Wright in your presence?

Mr. HINES. He did, sir.

Mr. BENNET. What did he say to Col. Wright?

Mr. HINES. He said that Mr. Shank and Mr. Hines were going down to his office, and that he wanted him to give us the opportunity of figuring on the additional buildings that he had discussed with him, to make this a unit, or something to that effect. We took a taxicab directly from the War Department and went directly to Col. Wright's office.

Mr. BENNET. Did Mr. Hare anything in relation to a further conference after you had concluded your matters with Col. Wright?

Mr. HINES. We had quite an extended conference with Mr. Hare before he called up Col. Wright. He said: "Now, Mr. Hines, just as soon as your figures are all in. I want you to meet here in my office with Col. Wright, Maj. O'Brien, Mr. Shank, and yourself, and we will sit around a table and figure this thing out, and try to settle this matter satisfactorily," and I so understood it.

Mr. BENNET. And did you stay in Washington all the time that the bids were being prepared which were finally put into the Construction Division, and which are in evidence, dated, as I recall, October 9 to October 12?

Mr. HINES. I stayed in Washington from the time I left his office until—

Mr. BENNET. Well, at any rate, were you in Washington until what was known as the consolidated bid of October 12 was put in?

Mr. HINES. Yes, sir.

Mr. BENNET. Did you assist in the preparation of that bid?

Mr. HINES. I did.

Mr. BENNET. Did Mr. Hare ever give you the conference that he promised?

Mr. HINES. I called again at Mr. Hare's office, and he informed me that the papers were in the hands of the general staff, and that we could not have the conference until the papers came back to him. I then stated that I wanted to go back to Chicago for a day or two, and asked whether my going would inconvenience him or delay the matter, as I wanted to assist in hurrying the matter. He said no; he would not get the papers for at least two days, and that I could return to Chicago and come back early the following week. I think I stated I would be back on a Tuesday. I returned to Washington, and on Wednesday of that week called at his office again. I asked him if he had obtained the papers. He said that they were then in the hands of the Secretary of War, and that he hoped to get them back the next day, and we would have our conference. On the Friday following, at about 5 o'clock in the evening, he called me up on the telephone; at least, I heard him on the telephone. I was called to the telephone in my room, and Mr. Hare was at the other end of the wire; and he stated that the War Department had just leased the Field Museum, had taken over the Cooper-Monotah Hotel, and were going to enlarge the beds at Fort Sheridan by additional structures,

and he would have no use whatever for the Speedway Park Hospital.

Mr. BENNET. This was Mr. Hare?

Mr. HINES. Mr. Hare—Mr. C. Willing Hare.

Mr. BENNET. Have you ever seen him since?

Mr. HINES. No. I said: "Why, Mr. Hare, is that all you have got to say to me?" He said: "Absolutely all."

Mr. BENNET. And that is the last that you have seen or heard of Mr. Hare?

Mr. HINES. Absolutely.

Mr. ADCOCK. What date was that?

Mr. HINES. It was on a Friday.

Mr. BENNET. Will this paper that I show you assist your recollection any?

Mr. HINES. I know the day of the week.

Mr. ADCOCK. Would your secretary know the date?

Mr. HINES. I think it is right here. This is a memorandum I immediately dictated to my secretary, upon leaving the telephone, and the date was the 24th day of October, 1918. This says between 3 and 4 o'clock, but I am sure it was just about 5 o'clock.

Mr. ADCOCK. What is the date?

Mr. BENNET. The day was October 24.

Senator FRANCE. Did he state upon whose recommendation these buildings had been leased?

Mr. HINES. No; he said: "We have." I inferred he meant the Secretary of War's office. He said "We."

Mr. BENNET. That is all, Mr. Chairman, so far as I am concerned.

Senator HARDWICK. Is Mr. Richard E. Schmidt in the room?

Mr. SCHMIDT. Yes, sir.

Senator HARDWICK. Senator France wanted to ask you a question about this Field Museum proposition.

#### TESTIMONY OF MR. RICHARD E. SCHMIDT—Resumed.

Senator FRANCE. Mr. Schmidt, your testimony is not before me, so I do not know whether or not this fact has been clearly brought out. In what capacity did you serve the Government when you were connected with the service?

Mr. SCHMIDT. I came to Washington at the call of my partner, Mr. Garden, about the 26th or 27th of August, and met Mr. Garden. He told me what he had been working on, and that if the project were approved we were in a fair way of being employed by the Construction Division as the architects and supervising engineers.

Senator FRANCE. For this main project?

Mr. SCHMIDT. Yes.

Senator FRANCE. That is sufficient so far as that is concerned.

Mr. SCHMIDT. So that as these things occurred that have been testified to here, we prepared the plans; and about September 21, while I was in Chicago in my office there, I heard that Col. Wright and Gen. Noble were coming to Chicago to see me about joining a commission to select buildings. They did call on me on September 23, and I was appointed. I do not remember whether they handed me the papers then, or whether I got them a few days later.



Senator FRANCE. You were appointed to membership in a commission?

Mr. SCHMIDT. In a commission.

Senator FRANCE. The duties of which were to select sites for hospitals?

Mr. SCHMIDT. To lease existing buildings suitable for hospital uses.

Senator FRANCE. Will you state once more to the committee the personnel of that commission?

Mr. SCHMIDT. Gen. Robert E. Noble, Mr. J. M. Trainer, and myself. After two weeks, I think around the 8th of October, Gen. Noble left the commission, and Lieut. Col. E. G. Northington took his place.

Senator FRANCE. Did you meet with that commission on a number of occasions when the subject of the leasing of buildings in or about Chicago was up?

Mr. SCHMIDT. We were together continuously, most of the time in Chicago, from the 23d of September to the 22d or 23d of October.

Senator FRANCE. Now will you state to the committee any facts which you may have in mind with reference to the leasing of the Field Museum for hospital purposes?

Mr. SCHMIDT. Do you mean a physical description of the building?

Senator FRANCE. No; no description of the building, but of the circumstances in connection with the leasing of that building. We have information as to the character of the building. We want to know the circumstances surrounding the execution of that lease, what members of your commission were favorable to it, what members of your commission were unfavorable to it, how a decision was reached, and who finally executed the lease for the Government. Those facts have not been brought out, have they, in your previous testimony?

Mr. SCHMIDT. I think I stated some of them, but I do not know. There may be some others. I will try to make it short. A few days after the commission was formed, I learned that arrangements had been made to meet Mr. Stanley Field, the president of the board of trustees of the Field Museum, and to examine the museum building with him.

Senator FRANCE. Do you know who made the arrangements to meet Mr. Field?

Mr. SCHMIDT. I do not know.

Senator FRANCE. Who informed you that such arrangements had been made?

Mr. SCHMIDT. I think Mr. Trainer.

Senator FRANCE. Mr. Trainer was the one, then, who brought up the subject of the leasing of the Field Museum, so far as you recall?

Mr. SCHMIDT. I think he was the first one to me; yes. The commission met in my office, and we walked to the Chicago Club, where we met Mr. Field, and drove to the museum. Mr. R. E. Graham, the architect, accompanied us, and we spent probably an hour there looking over it.

Senator FRANCE. Mr. Graham was the architect of the museum?

Mr. SCHMIDT. Yes, sir; for the trustees. After examining it we returned to the downtown or "loop" district.

Senator FRANCE. Mr. Schmidt, you are an expert in the architecture of hospitals. We gather that from the character of the work that you have done. Were you favorably impressed with the Field

useum as suitable for a hospital? Did it impress you as being a building readily adaptable to hospital purposes?

Mr. SCHMIDT. Yes, sir; but with some qualification as to the number which it would house in a proper manner for hospital purposes.

Senator FRANCE. Do you mean to say that it is such a building as you would design for a hospital?

Mr. SCHMIDT. No, sir.

Senator FRANCE. You mean to say that it is such a building as might be utilized in case of emergency for a hospital?

Mr. SCHMIDT. Yes, sir.

Senator FRANCE. And in case the terms of the lease were favorable?

Mr. SCHMIDT. Yes, sir.

Senator FRANCE. In other words, you would not have been disposed to recommend it as a hospital building except under circumstances where an emergency existed?

Mr. SCHMIDT. No, sir.

Senator FRANCE. Or where it could be secured on favorable terms?

Mr. SCHMIDT. No, sir.

Senator FRANCE. Because many other ordinary buildings might have been as suitable for a hospital as that?

Mr. SCHMIDT. Yes, sir. I think it would be only fair to explain what I meant when I qualified it—that you can probably convert every building into a hospital, but only varying portions of the different buildings would be suitable for hospital use. One building may give up every square foot to a good hospital purpose, and another one only some 50 per cent, or 75 per cent, or a varying percentage.

Senator FRANCE. Which would you think the best adapted for hospital purposes—the so-called Speedway hospital or the Field Museum?

Mr. SCHMIDT. I think certainly the Speedway. It was designed for it, so that every foot of it was adaptable for hospital use.

Senator FRANCE. Do you recall how the other members of the commission were impressed with the museum so far as its adaptability to hospital purposes was concerned?

Mr. SCHMIDT. I think they were well impressed; that it appeared to them as being a suitable building for hospital purposes.

Senator FRANCE. You had a meeting after the visit to the museum, did you, in which the matter was considered?

Mr. SCHMIDT. Yes, sir; we were together and discussed it.

Senator FRANCE. Who spoke favorably to the project of leasing in that meeting? Did all of the members of the commission, or did only a few of them?

Mr. SCHMIDT. Both Gen. Noble and Mr. Trainer always impressed me as being in favor of it.

Senator FRANCE. They were warm advocates of the project?

Mr. SCHMIDT. Well, they were advocates. I do not know as they were particularly warm.

Senator FRANCE. They advocated it?

Mr. SCHMIDT. Yes, sir.

Senator FRANCE. And you yourself advocated it?

Mr. SCHMIDT. I did not say much. I had not been in the work long. I listened mostly, and never was willing to express an opinion until I could analyze the usefulness of the building and its cost.

Senator FRANCE. You are an expert on the architecture of hospitals, but you were not prepared without some deliberation to advocate the Field Museum as a hospital building?

Mr. SCHMIDT. No, sir.

Senator FRANCE. Whereas Mr. Trainer, who is not an expert in the architecture of hospitals, immediately after seeing it advocated that building as a hospital building for the Government. Is that true?

Mr. SCHMIDT. Well, I could not say immediately after seeing it, because it had been there for a long time.

Senator FRANCE. I mean, at the first meeting after the inspection by the commission, Mr. Trainer was favorable to the leasing of the Field Museum?

Mr. SCHMIDT. I gathered that; yes, sir.

Senator FRANCE. And was Gen. Noble equally as favorable to it?

Mr. SCHMIDT. Yes, sir.

Senator FRANCE. But you yourself, an expert in hospital buildings, felt that you desired to give the matter some further consideration?

Mr. SCHMIDT. Yes, sir.

Senator FRANCE. You were very wise. Was your hesitation in forming a favorable judgment of this project of leasing the Field Museum due in any part to the fact that the lease price was to be \$1,070,000 for two years' use? In other words, taking into consideration the cost of putting the museum in condition to be used extensively, and taking into consideration the cost of restoring it to its original condition, and the lease price for the second year, I believe the testimony shows that the lease for the two years would have been \$1,070,000, or thereabouts. Had you that figure in mind when you hesitated somewhat to immediately recommend the project as being a substantial lease price?

Mr. SCHMIDT. The price was the most important element which kept me from approving it for several weeks.

Senator FRANCE. However, Mr. Trainer showed no hesitancy to indorse the project, even in view of that very large rental price!

Mr. SCHMIDT. No; I can not say that. He, I know, relied a great deal on my analysis of the figures, and waited constantly until I could make them.

Senator FRANCE. How long was this meeting, at which the question of the leasing was decided, after the inspection trip? Do you recall?

Mr. SCHMIDT. Senator, it was almost one continuous meeting for a month. We were together all the time, and there were no—

Senator FRANCE. Do you recall how long it was before the lease was executed for the Government?

Mr. SCHMIDT. Yes, sir; the lease I think was executed on the 22d of October.

Senator FRANCE. Do you recall who signed the lease for the Government?

Mr. SCHMIDT. Yes.

Senator FRANCE. Who signed it?

Mr. SCHMIDT. Lieut. Col. Northington.

Senator FRANCE. No one else?

Mr. SCHMIDT. No, sir.

Senator FRANCE. The testimony the other day indicated that these leases had to be signed by the members of this commission; that the commission was the body authorized to execute the lease.

Mr. SCHMIDT. In some manner we were advised that the leases ought to be signed by a contracting officer of the Army and a member of the Army. Neither Mr. Trainer nor I being members of the Army, Col. Northington was made the contracting officer.

Senator FRANCE. By the commission?

Mr. SCHMIDT. No; I do not think we had that power.

Senator FRANCE. Well, then, either my memory is inaccurate, or some one made a very great mistake in testifying either yesterday or the day before, because I asked the specific question as to whether this commission, as a commission, was authorized to sign leases and bind the Government.

Mr. SCHMIDT. The answer was that we did have that authority, but I think it was thought——

Senator FRANCE. Did you ever affirmatively vote for the project, or did you ever in any affirmative way approve of the leasing of the Field Museum? Was there any formal vote in the commission?

Mr. SCHMIDT. There was no formal vote; no, sir.

Senator FRANCE. But the decision was practically unanimous, you think?

Mr. SCHMIDT. Yes, sir.

Senator FRANCE. That it was a favorable contract and that, in view of the figures, the building was suitable or sufficiently suitable to make the whole project a favorable one, so far as the Government was concerned?

Mr. SCHMIDT. Well, I did not look at it exactly in that way.

Senator FRANCE. I am not surprised that you did not.

Mr. Chairman. I was detained in the Senate, and I wish to ask Mr. Schmidt with reference to the lease of this hotel, direct.

Senator HARDWICK. The only thing is, I want to get one piece of information. We had better not interject more of Mr. Schmidt's testimony into the testimony of Mr. Hines.

Senator FRANCE. Mr. Hines has finished.

Senator HARDWICK. Do you want to examine him, Mr. Adcock?

Mr. ADCOCK. Yes.

Senator FRANCE. I think that we had better take this up now.

Mr. HINES. I have no objection to waiting.

Senator FRANCE. Mr. Chairman, if there is no objection to doing so, this section of the testimony can be simply put forward, and I will continue this investigation later.

Mr. BENNET. I would like to make a suggestion. I think we ought to attend to the calling of Lieut. Col. Northington. I read in the paper yesterday that he had been ordered transferred to San Francisco, and if the committee wishes to get him as a witness, they had better call him at once.

Mr. ADCOCK. I did not expect that it would be necessary, but I feel that we would like Col. Northington called.

Senator HARDWICK. The committee would not feel like sending for him to San Francisco.

Mr. BENNET. Oh, he is here in the city. I have a limited military knowledge, and I take it that the orders that I saw noted in the newspaper are the preparatory orders, and I assume that he will be

here for some little time. I wanted to call the attention of the committee to that, so that they might call him and examine him, or ask the department not to transfer him until he could be examined.

Senator HARDWICK. That is all right so far as that goes, but as to the relevancy and materiality of his testimony that is in question. What is the use of it?

Mr. ADCOCK. It seems that there is some question raised that Mr. Trainer was unnecessarily an advocate of this field museum proposition, and it seems to be in the Senators' minds.

Senator HARDWICK. I see what you mean.

Mr. ADCOCK. I wanted to clear that up.

Senator HARDWICK. If you can find his address and give it to the clerk of the committee we will have him notified.

Mr. ADCOCK. Do you know where he is?

Mr. BENNET. I know where he is.

Mr. ADCOCK. In order to complete Senator France's line, I would like to ask Mr. Schmidt a few questions.

Senator HARDWICK. You had probably better not do that until Senator France comes back. He has left the room now.

Mr. ADCOCK. All right.

AFTER RECESS.

(Thereupon, at 12.30 o'clock p. m., the subcommittee resumed its open session.)

Senator HARDWICK. Well, now, gentlemen, the committee will come to order.

Senator FRANCE. Will you instruct the gentleman to postpone that line of inquiry which I was conducting until after Mr. Hines's testimony is concluded?

Senator HARDWICK. Yes. Put it all together.

Mr. Hines, before I turn you over to counsel for Mr. Trainer, to ask such questions as he may desire touching Mr. Trainer's connection, I want to ask a few general questions about this matter.

Do you know Mr. Erskine?

Mr. HINES. Yes, sir.

Senator HARDWICK. How did you first get in touch with him in connection with this matter?

Mr. HINES. Some time in June; well, I had occasion some time in June to readjust four or five of our corporations, form some trusteeships, and things of that kind, and had a great deal to do with the firm of Newman, Poppenhusen, Stern & Johnston, and in one of my talks with Mr. Newman, almost by accident, I spoke to him about this hospital project, and that Mr. Shank was apparently not getting anywhere in Washington, in being able to present the matter. He said, "Why I have a client here, Mr. Erskine, who has given that subject a good deal of thought, and recently talked to me about it," and he said, "He is very well acquainted in Washington, and I would not be surprised if he could get an appointment with some of the higher officials and help Mr. Shank."

Senator HARDWICK. Did he mention to you that he was related to President Wilson?

Mr. HINES. At that time he did not. He said he would be very glad to arrange for Mr. Erskine to meet Mr. Shank. He suggested

me first, and I suggested that Mr. Shank could explain this matter so much better than I, that I should prefer to have Mr. Shank see him.

Senator HARDWICK. Then you got in touch with Mr. Erskine through your counsel, Mr. Jacob Newman?

Mr. HINES. Yes; I had never met Mr. Erskine prior to the meeting in Mr. —

Senator HARDWICK (interposing). Now, when you did meet Mr. Erskine, I suppose through Mr. Newman, you took up this hospital project with him?

Mr. HINES. Yes; the first time I had met with Mr. Erskine, he had had that talk with Mr. Shank.

Senator HARDWICK. You had referred him to Mr. Shank first through Mr. Newman?

Mr. HINES. Yes; he met me and he seemed to be much interested in the hospital situation.

Senator HARDWICK. Disinterested, impersonal, as a citizen?

Mr. HINES. He seemed to me, as I gathered the impression, that this was a patriotic war bit on his part. He did most of the talking and at the first interview he went on to explain that he had had a great deal of experience, that he was educated as a civil engineer, and he said he had done a good deal of building in two large towns adjoining Chicago, representing some British capitalists, and he said also that he had been in touch with a number of the leading doctors here and had attended a number of lectures on the reclamation and reconstruction features of hospitals.

Senator HARDWICK. I want to get to this point: Did you ever, either directly or indirectly, in any sort of way, form or fashion, promise to compensate Mr. Erskine in a financial way for whatever service he might do or did he ever ask for such compensation?

Mr. HINES. I would say emphatically no; and there is nothing about any of our talks in the most indirect way that would have led me to believe that Mr. Erskine—

Senator HARDWICK (interposing). Had any such thought?

Mr. HINES. Even in his mind.

Senator HARDWICK. Now, did you ever get an option on this property, or did he ever ask for one?

Mr. HINES. No; in no sense an option. After several interviews, and after he came down here and said he had seen Secretary Baker, he wanted assurance on my part that if this project was going to cost somewhat more than what the price was, that I would stand back of it and see that it would be put through along the line that I had suggested to Secretary Baker, and in regard to that he said that when the architects got busy with the plans they had added some embellishments to the building in the way of cut stone and things that made it look prettier, but didn't add to the effect of the hospital and that had added to the cost, and he said he had told Secretary Baker that he had some one in Chicago—

Senator HARDWICK (interposing). Standing behind it?

Mr. HINES. Well, yes; if I can just think of the term—that would contribute in a financial way to the difference between the price of an up-to-date fireproof hospital and what the Government was paying for temporary hospitals.

Senator HARDWICK. In other words, the Government had a certain price that it was paying, a certain price per bed?

Mr. HINES. And that I should make good the difference. I told Mr. Erskine that I would do that in every sense of the word, and he was authorized in every sense to do it, and I have continuously done that.

Senator HARDWICK. Have you agreed to do that all the time? That was the first time you had seen him personally?

Mr. HINES. That afternoon.

Senator HARDWICK. And then you went back that next morning?

Mr. HINES. At 9 o'clock.

Senator HARDWICK. Had you had any interviews with Secretary Baker subsequent to that time on this Speedway project business?

Mr. HINES. Yes, sir.

Senator HARDWICK. Are they pertinent to the inquiry that we are now conducting?

Mr. HINES. Yes. The next time I met Secretary Baker was when I was anxious to see what was in the Chamberlain report. I was very much interested to see how he found the situation. Then he asked me to be patient, and that the members were figuring over about the bed question. Time elapsed, and I waited and then I saw him again, and I laid before Secretary Baker in a very intelligent and I think a very forceful manner the great error the War Department was committing in spending about \$4,000,000 for a lot of light, frame, inflammable structures at Fort Sheridan, and I said to him that prior to that time I had transmitted a letter to him by a messenger in haste in order to give our boys, which I had been trying to do, a fire-proof hospital to convalesce in; that I would take back from the Government all the lumber which the Government had bought, and, as I explained to him, in the face of car congestion, and the war priorities board not wanting to transfer material, and had hauled this lumber 2,500 miles from the Pacific Coast, when a car was almost impossible to obtain; that I would take this lumber off his hands at what the Government had paid for it, which meant a loss to me, but not subject the Government to any damage. At that time the Government had not yet started the building of what is known as the frame buildings at Fort Sheridan. In that way I explained to him in detail that we could provide in a very much quicker time a fire-proof hospital, of which their own architects would be responsible, in addition to the experts of Schmidt, Garden & Martin, up-to-date in every respect, and would save the Government money, and when the war was over the Government would have a permanent hospital, or if they did not want the hospital, I would give them \$1,293,000.

Senator HARDWICK. That was when you first made your salvage proposition?

Mr. HINES. No; the salvage proposition had been in his hands almost 60 days, but I called his attention to this. "Why," he said, "Mr. Hines, I have not seen that letter." I said, "Mr. Secretary, it is of such a character that no matter what occurs in the future, you must accept the responsibility of knowing it," and I pulled a copy of it out of my pocket and asked him to read it, and he read it in my presence. Now, I said, "Mr. Secretary, there is only one thing, and that is an act of God, that can stop a catastrophe to some of these

hospitals if a fire occurs, and you will have a very large loss of life." I said, "Just recently, within 30 days, in a district that I am financially interested in, 1,000 lives were lost in a fire in a little town, the town of Cloquet, burning, where I had interests. There every house in the town burned," and I called his attention to the sick and maimed soldier boys in those inflammable crematories, as I would class them, which is criminal, and that I was going to do all I possibly could that my money would allow me to to stop that thing.

Now I said, "Mr. Secretary, you have been uniformly courteous to me. You have given me a lot of time, but I want to try to protect you from what is being done in your department, and I want to place before you fairly"—I emphasized my remarks and talked earnestly—"before you go too far. There is yet time to stop this," and I suggested that he have a committee go out and see Fort Sheridan and see our buildings. I showed him a photograph of our fireproof structure, complete with the roof on, and he asked, "How soon can you complete your hospital?" I replied, "Mr. Shank says that he can complete it in 40 days, but I will complete it in 30 days, working three shifts of men. We will not spare any money in order to give you this hospital."

I told him that I was intensely interested in this thing, and I knew the anguish of having a boy in France, and did not have any peace of mind, if anybody could have any peace of mind under such circumstances, until I got him into a fireproof hospital, and I said "The American people will not stand for this thing." He said he would arrange to have a commission immediately go out to look into the subject again.

That was my last talk—no; that was not my last talk. When the commission returned—I was asked to go out with the commission—I called upon Gen. March, and attempted to discuss with Gen. March the same situation. He was the Chief of Staff. He said, "Now Mr. Hines, there is no use of our taking a long time on this matter. The Secretary has appointed a commission and it is going on the noon train, and if you will see Gen. Chamberlain, I think they would like to have you go with them." I immediately went over to Gen. Chamberlain's office and he told me the same thing, and told me to go with them.

Senator HARDWICK. Who was on the commission?

Mr. HINES. Gen. Chamberlain; Gen. Ireland, of the Surgical Department; Gen. Marshall, of the Construction Department; Col. Wright, of the Construction Department; Gen. Stotesbury, of the War College; and an officer representing the medical staff of the Government.

Mr. BENNET. Maj. Strode.

Mr. HINES. Maj. Strode. And he told me they were leaving on the noon train, and although it was 11 o'clock I immediately got ready.

Senator HARDWICK. I didn't get who said that.

Mr. HINES. Gen. Chamberlain; and we immediately arranged to go back on the same train.

Senator HARDWICK. That is what is called "the Chamberlain Commission"?



Mr. HINES. Yes. I did not discuss the matter with the gentlemen on the way back, but I met them all by appointment at the Speedway Hospital.

Senator HARDWICK. Now, just a general question about this hospital project of yours. You are the principal owner?

Mr. HINES. I want to say this in regard to that, and I feel that in all justice I should say that the Shank Co. has contributed in time and money and in energy proportionately more than I have—proportionately to their means—and I want that fully understood.

Senator HARDWICK. That is generous; but your financial interest makes you interested more largely than the other party?

Mr. HINES. Yes.

Senator HARDWICK. Now, what first suggested to your mind the proposition of endeavoring to locate, and if necessary to assist in locating, by large contribution, a Government hospital on this property?

Mr. HINES. The first thought that came to my mind was instigated by Mr. Erskine. Mr. Shank had been proposing to build a hospital along strictly commercial lines; a fireproof hospital.

Senator HARDWICK. That was a business project?

Mr. HINES. A strictly business proposition. He had spent a good deal of time and had got a plan and everything, and then when Mr. Erskine met me he said that he understood that there were some Chicago gentlemen who were going to make a contribution to a hospital known as the Cubs Ball Park Hospital, but the doctors had turned the proposition down, as the ground was not the proper place for a hospital. Now he said, "Mr. Hines, you have just lost a son in France. Would you consider contributing to a like structure if it were named after your son?" I said that I had thought of doing something in memory of Edward, but that I would want to talk to Mrs. Hines about it, so that evening Mrs. Hines and I discussed the subject, and she became very enthusiastic about the hospital, particularly if it should be named after Edward, and she said that she felt like we ought to spend all the money, Edward's proportions of my estate, to do so.

The next day I met Mr. Erskine and I said, "Mr. Erskine, I have been thinking the matter over and we are very much interested in the building of a big hospital to be named after Edward, and I would be willing to contribute \$500,000 or \$600,000 at least to that project." He became very enthusiastic, and he said he would leave for Washington. On returning from Washington he told me that the hospital could not be named after any individual.

He said, "Now, Mr. Hines, the spirit is very nice. Why wouldn't you go right ahead without having it named after your son?" I said, "I will do that. It will at least give us the satisfaction of providing a safe place for our boys."

Senator HARDWICK. That brings me to the point I have in mind. Your plan took the concrete form of doing this, seeing that the Government got for military uses a complete up-to-date modern fireproof hospital, you making up the difference between what they were paying for these cheap, flimsy things and this splendid hospital?

Mr. HINES. Yes. In regard to that, I did not make the detailed inquiry. He told me that the Surgeon General's Office told him that

they were costing from \$1,000 to \$1,500 a bed for these buildings of frame construction, and that he was authorized to make a proposition of \$1,000 a bed, which he thought he could make if the Surgeon General recommended a permanent hospital.

He had in mind using this later as a reconstruction or reclamation hospital, so I was to make up the difference between what that would amount to, and at that time I called in Mr. Shank, and Mr. Shank very graciously said that he would do his work without any compensation in any shape, form or manner, and would not charge me for the use of his tools, and he would give his time for this, which I considered to be worth a good deal, and in addition he said, "Mr. Hines, I will stand what proportion my one-thirteenth bears to the proposition." He said that he felt very much interested, and he would take the responsibility of the practical end of it off my shoulders. I was not feeling as well as I might and I was very busy, so I left the details to Mr. Shank, and I arranged for Mr. Newman to come down here and look after the legal end, that of preparing this contract.

Senator HARDWICK. Getting right to that, were you at all disturbed when you were informed that they were spending money, thousands of dollars—some witnesses have testified as much as a million or more—on this project, before the formal signature was given?

Mr. HINES. I was in New Orleans attending a meeting of the Southern Yellow Pine Manufacturers' Association, and Mr. Newman sent me a telegram stating he had been advised by Mr. Schmidt, the architect, that the figures on the building alone, outside the land, were \$2,300,000 and he had also had some information from the Construction Department that their figures were either \$2,350,000 or \$2,250,000, and that as a rule these estimates were always exceeded by the actual cost. He sent me a telegram and stated that he would not take the authority to sign this contract; that he figured that I would be contributing a million dollars in place of a half a million dollars.

Senator HARDWICK. He was afraid under the plans you were drawing that your contribution would have to amount to that much.

Mr. HINES. He was afraid that Mr. Shank's figures were too low. I came through at considerable inconvenience from New Orleans to Washington. I met Mr. Newman first alone, and I wanted him to show me the figures. He was nervous about the situation. I said that I would talk the matter over with Mr. Shank and Mr. Shank and I sat down and he gave me his opinion relative to the situation, and he said the original figure of \$500,000 would be exceeded by about \$250,000, or making it about \$700,000. He said, "Mr. Hines, I want to say this, that outside of contributing this as a wonderful hospital to the boys, you are making a serious mistake," and he said, "If you will leave that out, I would like to go back and show you a way to handle the proposition."

Mr. ADCOCK. Who said that?

Mr. HINES. Mr. Shank.

Senator HARDWICK. Said you were making a serious mistake?

Mr. HINES. Yes.

Senator HARDWICK. Why?

Mr. HINES. He said, "This real estate at the price the Government fixed is only worth \$600 an acre, which is only one and a half cents

a square foot. The Government has just paid the Central Manufacturing Co. for a piece of ground on which a warehouse is erected one dollar and a half a square foot, or one hundred times this amount." He said, "All my life I have been a contractor and promoter of large buildings. I am very well acquainted with the manufacturing line, and I have lived in Chicago for 50 years and I make a prophecy that this ground at \$600 which the Government has placed a value on, as soon as the war is closed I can take that as a manufacturing district, and commence at 20 cents a square foot and erect buildings and rent them, and you will make a profit on furnishing the lumber, and you will make a profit on promoting the securities, and you will make a profit on the rental and at 20 cents a foot it is twelve times one and a half cents a square foot, and twelve times \$600 an acre is \$7,200 an acre. I will start at that. The Central Manufacturing district has no better switching facilities than this piece of land. It is located right next to the stockyards."

Senator HARDWICK. The Central?

Mr. HINES. Yes. "For which the Government paid a dollar and a half, and this ground is as accessible by automobile, by street cars extended, and it is only a question when the war is closed when you will make a much greater amount out of it than by going into this hospital proposition. But if you want to go on with this hospital, I will go on to the finish with you."

I said, "Mr. Shank, this is not a question of commercialism. It is a question of principle. I want to provide as far as I can for our boys a fireproof hospital. I have already stated that I would do so. Mr. Erskine has informed the Secretary of War what I want to accomplish," although I said that my name—

Senator HARDWICK. Had it been publicly stated?

Mr. HINES. I requested not to have my name used.

Senator HARDWICK. Why?

Mr. HINES. For this reason: I did not want to commercialize the memory of my boy in presenting a proposition to the Government under the circumstances. I explained to Mr. Erskine, that as long as it was not named after Edward, not to say anything about it until it was all over. He was thoroughly authorized to do what he did and I want to say further that Secretary of War Baker publicly acknowledged, in my presence, that the talk with Mr. Erskine in no way varied from what Mr. Erskine had reported to me, so that I know the representations made by Mr. Erskine were as he reported to me.

Senator HARDWICK. In talking with you, did the Secretary recount the conversation the same way as Mr. Erskine did?

Mr. HINES. The Secretary recalled his conversation with Mr. Erskine and called attention to the way he came in there to see the Secretary. This matter was taken to the front door of the War Department and did not get in through entry of the back door.

Mr. ADCOCK. That was the usual way matters were taken up by the War Department?

Mr. HINES. I had never taken up any subject with the department, so I can not answer that.

Mr. ADCOCK. I should think Secretary Baker would be pretty busy if you took up every proposition that way.

Mr. HINES. Should the Secretary of War be too busy to take up the greatest subject, the care of our maimed and wounded soldiers?

Mr. ADCOCK. There were a great many other important matters.

Mr. HINES. Nothing was more important than that.

Mr. ADCOCK. There were many more things that Secretary Baker had to do, securing sites for ordnance, ammunition buildings, and things like that. That was important.

Mr. HINES. Very important.

Mr. ADCOCK. But assuming that this matter was—and I say it was—a very important proposition, but every important proposition that came up before the War Department, if they were presented to Secretary Baker in the first place, he would not have been doing anything else, would he, except listening to what people say?

Mr. HINES. I do not think so.

Mr. ADCOCK. Now, do you know how much time Mr. Erskine spent on this matter?

Mr. HINES. No; I could not say how much time he spent on the matter.

Mr. ADCOCK. How many times did you see Mr. Erskine in connection with this hospital project?

Mr. HINES. I would say three or four times in Chicago and, outside of the twice since this investigation took place, probably a half dozen times in Washington.

Mr. ADCOCK. Do you remember the occasions in Washington when you saw him?

Mr. HINES. I saw him the date the contract was signed.

Mr. ADCOCK. By Mr. Shank?

Mr. HINES. By Mr. Shank.

Mr. ADCOCK. Was that about the 8th or 10th of September?

Mr. HINES. No; I think it was about the last of August.

Mr. ADCOCK. The last of August?

Mr. HINES. Yes.

Mr. ADCOCK. Did you see him when he was in Chicago with Mr. Tigchon?

Mr. HINES. Let me see, that was the time when the real estate committee came on?

Mr. ADCOCK. Yes.

Mr. HINES. I think I did.

Mr. ADCOCK. You had a talk with him then?

Mr. HINES. A very few moments. I think he returned to Washington the next day if I recollect.

Mr. ADCOCK. How long were you in Washington when the contract was signed on that occasion?

Mr. HINES. I was in Washington—if you will allow me, I was at Virginia Hot Springs for a couple of weeks with my family, and I received a telegram of Edward's serious illness.

Mr. ADCOCK. That was when?

Mr. HINES. That was in May.

Mr. ADCOCK. I am speaking of the time when the contract was signed by Mr. Shank.

Mr. HINES. I was here attending a meeting of the National Lumber Manufacturers' Association. I think I was here a couple of days. It lasted, I think, two or three days.

Mr. ADCOCK. You did not come down purposely on this hospital project?

Mr. HINES. No, sir.

Mr. ADCOCK. Did this require your signature?

Mr. HINES. No, sir.

Mr. ADCOCK. You specially enjoined or requested Mr. Erskine not to disclose your name in any way?

Mr. HINES. I did not specially enjoin him. I told him I would prefer not to do so.

Mr. ADCOCK. When, if you recall, when did any officer or employee of the Government ascertain that you were the one who was principally interested?

Mr. HINES. I have a recollection that Mr. Newman informed Maj. O'Brien, the lawyer for the Government.

Mr. ADCOCK. When was that?

Mr. HINES. Some time during that period.

Senator HARDWICK. When the contract was before them?

Mr. HINES. I think about that time.

Mr. BENNET. August 31.

Senator HARDWICK. About that time, probably a day or two before that while preparing this contract?

Mr. HINES. The reason I have that in mind is that Mr. Newman represented me directly, and I think Mr. Shank relied upon Mr. Newman; that while he was taking care of my interests he was taking care of his, too.

Mr. ADCOCK. Mr. Newman was hired by you and you expected to pay his fee?

Mr. HINES. Yes.

Mr. ADCOCK. He was not working the same as Mr. Shank?

Mr. HINES. No, sir. He was paid as counsel.

Mr. ADCOCK. Did you ever see Richard F. Folsom in connection with this matter?

Mr. HINES. Yes, sir.

Mr. ADCOCK. Will you state when?

Mr. HINES. Some time—I think I can give you about the date.

(Thereupon at 1 o'clock p. m. the subcommittee took a recess until 2 o'clock p. m.)

#### AFTERNOON SESSION.

The subcommittee met at 2 o'clock p. m. pursuant to the taking of the recess.

#### TESTIMONY OF MR. EDWARD HINES—Resumed.

Mr. ADCOCK. Mr. Hines was about to tell us what time he had seen Mr. Richard S. Folsom on this matter, in Chicago.

Mr. HINES. I do not think I ever saw Mr. Folsom in Chicago about this matter.

Mr. ADCOCK. Did you ever see him in Washington?

Mr. HINES. I did, sir.

Mr. ADCOCK. Where does Mr. Folsom live?

Mr. HINES. In Chicago. He is a lawyer there.

Mr. ADCOCK. How many times did you see him in Washington?

Mr. HINES. In what period?

Mr. ADCOCK. During the time that this matter has been under way.

Mr. HINES. I should say that I have seen Mr. Folsom, off and on, meeting him on the street and at different places, a dozen or more times.

Mr. ADCOCK. Did you ever talk to him about this project?

Mr. HINES. Yes.

Mr. ADCOCK. What conversation did you have with him? Have all the dates there?

Mr. HINES. I can ascertain approximately the dates. Would you like to have me just state Mr. Folsom's connection with this matter?

Mr. ADCOCK. No; I asked you the question what conversation you had with him about the matter in Washington—the first conversation?

Mr. HINES. Oh, the first conversation I had with Mr. Folsom, I engaged him to seek an opportunity to see Mr. Crowell.

Mr. ADCOCK. Will you state just the conversation, what Mr. Folsom said and what you said?

Mr. HINES. I told Mr. Folsom that I had been unable, apparently, to get an interview with Mr. Crowell to ascertain the reason why his project had not been approved; that there seemed to be some feeling against Mr. Newman in the War Department.

Mr. ADCOCK. Mr. Newman?

Mr. HINES. Mr. Newman; and, as Mr. Folsom was a Democrat, I felt that possibly he might obtain information more quickly; and time seemed to be very essential, and that he might get me an interview with Mr. Crowell.

Mr. ADCOCK. Did you employ him as attorney?

Mr. HINES. I told him that I would pay him for his services, and to render me a bill for what time he used.

Mr. ADCOCK. Did he succeed in getting you an interview?

Mr. HINES. Yes.

Mr. ADCOCK. When did you talk to Mr. Crowell in this interview that Mr. Folsom procured for you?

Mr. HINES. I think I can give you the exact date. I had an audience with Mr. Crowell for about 5 minutes on October 2.

Mr. ADCOCK. That was where?

Mr. HINES. In Mr. Crowell's office.

Mr. ADCOCK. When did you see Mr. Folsom again about this matter and have any talk with him?

Mr. HINES. I saw him again in Mr. Hare's room.

Mr. ADCOCK. Did Mr. Newman know anything about your employment of Mr. Folsom?

Mr. HINES. I did not discuss the matter with Mr. Newman. Well, I think Mr. Newman assumed that I had—in fact, I think I told him. I do not know as I told him, but I thought he assumed that I was endeavoring to get an interview with Mr. Crowell, and Mr. Folsom had arranged it.

Mr. ADCOCK. No; because when Mr. Newman was on the stand, he said he did not know what connection there was.

Mr. HINES. I do not think he knew the detailed connection of my employing him.

Mr. ADCOCK. He did not know that you employed him?

Mr. HINES. I will not say whether he knew it or not.

Mr. ADCOCK. Who was your general lawyer down here, Mr. Newman or Mr. Poppenhusen?

Mr. HINES. I had no general representative in Washington.

Mr. ADCOCK. Mr. Newman is your attorney, is he not? You advised with him about each step you took?

Mr. HINES. He is my general counsel in Chicago on commercial matters.

Mr. ADCOCK. And you employed him in this matter?

Mr. HINES. I employed him to look after the legal end of this transaction; yes, sir.

Mr. ADCOCK. Did he make any other suggestions to you, whether they were legal or otherwise, about getting this matter through?

Mr. HINES. No; Mr. Newman was employed simply to arrange for the contract—to see that the property was properly transferred and to carry out this particular project.

Mr. ADCOCK. Did he have anything to do with the negotiations?

Mr. HINES. The negotiations?

Mr. ADCOCK. Yes.

Mr. HINES. He was here at the time the contract was being closed.

Mr. ADCOCK. He was here a great deal, in Washington, was he not?

Mr. HINES. No; I would not call it a great deal. I am simply speaking from memory, because I was not here, but I think he spent a week or 10 days here preparing this contract, with Maj. O'Brien.

Mr. ADCOCK. He was in conference with Mr. Hare, was he not?

Mr. HINES. No; he was not.

Mr. ADCOCK. Never with Mr. Hare at all?

Mr. HINES. He never met Mr. Hare until after the contract had been signed some time; that is, to my knowledge.

Mr. ADCOCK. He suggested that you take this matter up with Erskine, did he not?

Mr. HINES. No; as my testimony has shown. I had mentioned to Mr. Newman about Mr. Shank having apparently no success in getting this project before the proper officials, and then he said that he had a client who had been giving considerable thought to the reconstruction feature of the Government—of these maimed soldiers—and had been in consultation with a lot of gentlemen on this, and he said he would be very glad to introduce Mr. Erskine to me. I said I did not know much about the details.

Mr. ADCOCK. You mean about the details of the difficulties that have been met by Mr. Shank. And he suggested that Mr. Erskine might be of some service to you?

Mr. HINES. Yes.

Mr. ADCOCK. Then did you see Mr. Folsom about this matter after the conference in Mr. Hare's office?

Mr. HINES. Yes; I saw Mr. Folsom, I think, two or three times after that. He was in Washington here. I met him a number of times.

Mr. ADCOCK. Did you see him about this matter?

Mr. HINES. He is interested, and I discussed the matter with him several times.

Mr. ADCOCK. You felt that he was employed by you to render any service that you might ask, did you not?

r. HINES. The numerous times I met Mr. Newman it was on business. I met him incidentally several times. I was here 10 times.

r. ADCOCK. Did his employment go any further than to procure audience for you with Secretary Crowell?

r. HINES. Let me see what he might have done after that time. I think that I would feel at least morally bound to pay Mr. Folsom for accompanying me to Secretary Baker's office once or twice.

r. ADCOCK. And also to Mr. Hare's office?

r. HINES. No; he only accompanied me once to Secretary Hare's office.

r. ADCOCK. But the time he did go to Secretary Hare's office, did he see any other Government officials than the one you have mentioned?

r. HINES. I do not know of any. My memory does not serve me that.

r. ADCOCK. During the period?

r. HINES. No, sir.

r. ADCOCK. I have forgotten the date that you said you employed Folsom.

r. HINES. About the period that I had—just a day or two before my meeting with Mr. Crowell.

r. ADCOCK. I see; and the purpose of your going there was to ascertain why this matter had not been closed?

r. HINES. Absolutely; yes, sir.

r. ADCOCK. You also, for the same purpose, spoke to Representative—now Senator-elect—Medill McCormick, and asked him to go to Crowell's office with you, did you not?

r. HINES. No; he did not go to Crowell's office with me.

r. ADCOCK. Did he go to Crowell's office with Mr. Poppenhusen?

r. HINES. Yes, sir.

r. ADCOCK. Was that after or before Folsom took you to Mr. Crowell's office?

r. HINES. It was some time afterwards.

r. ADCOCK. So that you did not consider that the interview you had with Crowell was over—

r. HINES. Just a moment; I want to explain so as to have an understanding about Congressman McCormick's interview.

r. ADCOCK. Yes.

r. HINES. I called upon Congressman McCormick about this apparent misunderstanding, and this not going through. He said he knew Secretary Crowell very well, personally, and it was his own suggestion that he would like to have—he was also a personal friend of Mr. Poppenhusen and he said he would like to have me telephone Mr. Poppenhusen in Chicago to come down here.

r. ADCOCK. Mr. McCormick said that?

r. HINES. Yes; and also another gentleman, a Father Shannon, whom he knew personally, and they would both go to Mr. Crowell to ascertain the reason why this project was not proceeding to the satisfaction of the Secretary of War.

r. ADCOCK. Oh, yes; Father Shannon asked Medill McCormick to come here?

r. HINES. No; Mr. McCormick himself suggested it.



Mr. ADCOCK. Mr. McCormick took the matter up of his own volition without any suggestion from you or Father Shannon?

Mr. HINES. No; Father Shannon was not in Washington. He is in Chicago. I discussed this with Mr. McCormick as a representative in Congress from Chicago, feeling that he was interested like every other Chicago Congressman. He happened to be the only Chicago Congressman who did not call in a body on Secretary Crowell about this matter and endeavor to have this matter go through and ask him why it was not going through.

Mr. ADCOCK. He was the only Chicago Congressman?

Mr. HINES. He was out of the city, and when he returned I went to see him here, and I met him in New York, and he told me that he was very anxious to find out why it had not gone through; that he was a personal friend or a personal acquaintance of Secretary Crowell, and he would like to go to see Secretary Crowell. Then he suggested that Mr. Poppenhusen would know about the legal end, and as I was a friend of his he asked me would I telephone him and have him meet him in Washington.

Mr. ADCOCK. Did you not go to New York to see Mr. McCormick?

Mr. HINES. Yes; I did.

Mr. ADCOCK. Especially to see him?

Mr. HINES. Yes.

Mr. ADCOCK. And ask him to go to see Mr. Crowell?

Mr. HINES. No; I put the position to him just as I am telling you now. He said he would arrange to see Mr. Crowell himself and ascertain, if possible, the reason why this proposition was not being carried through, just as I went to every Chicago Congressman—about 10 of them.

Mr. ADCOCK. You asked them all to do that, did you?

Mr. HINES. Yes.

(At this point the subcommittee took a recess for 10 minutes. At the expiration of the recess the subcommittee reconvened.)

The last question was read by the stenographer as follows:

"You asked them all to do that, did you?"

Mr. HINES. Yes; I acquainted every Chicago Congressman with the conditions—with the hospital situation in Chicago—as I understood it.

Mr. ADCOCK. When did you do that?

Mr. HINES. At several periods during these matters. I can not just give the dates.

Mr. ADCOCK. When was the first time?

Mr. HINES. I can not say the exact date.

Mr. ADCOCK. Was it prior to October 1, when Mr. Folsom went with you to Mr. Crowell's office?

Mr. HINES. I think it was.

Mr. ADCOCK. You expected to pay Mr. Folsom?

Mr. HINES. Certainly; I always pay my lawyer.

Mr. ADCOCK. Yes.

Mr. HINES. I have that record.

Mr. ADCOCK. That is a very noble thing to do. That is one thing that counsel can not say too much in favor of.

Did you see any of the Senators about seeing Secretary Crowell about the matter, out in Illinois?

Mr. HINES. I do not remember just the period, whether I saw the senator about that or not.

Mr. ADCOCK. You mean Senator Lewis?

Mr. HINES. I did see Senator Lewis, but it seems to me it was after that period.

Mr. ADCOCK. Did you see Senator Sherman?

Mr. HINES. I have called at Senator Sherman's office several times, but unfortunately, each time he has been out. I have left my card and said that at the first opportunity I would see him.

Mr. ADCOCK. Did you see any other Senators about it?

Mr. HINES. Oh, I have met a number of Senators here, incidentally. I am acquainted with several.

Mr. ADCOCK. I mean about this matter, and about getting them to go to see Secretary Crowell, and find out why he did not close this matter?

Mr. HINES. No; I would not feel like asking an outside Senator to do a thing of that kind. I would feel that that was a part of the duty of the Senators from Illinois.

Mr. ADCOCK. You regarded this as purely a matter of philanthropy on your part to get this project through, did you not?

Mr. HINES. I regarded it, to make myself very plain, as a patriotic duty, in providing a fireproof, safe place for our soldier boys to come to, and that anything to excess of what Gen. Noble had set as the minimum of the price, I would pay the difference. To be perfectly just to Mr. Shank, whatever the difference to be paid, it was to be divided between Mr. Shank and myself.

Mr. ADCOCK. And that you and Mr. Shank were donating something to the Government in putting this proposition through?

Mr. HINES. Yes.

Mr. ADCOCK. Did you explain to the Congressman that that was the situation, and the way you felt about it?

Mr. HINES. Yes, sir.

Mr. ADCOCK. And did you explain that to Senator Lewis?

Mr. HINES. Yes.

Mr. ADCOCK. You did not think it would be improper, under those circumstances, to ask them to go to Secretary Crowell's office?

Mr. HINES. I never felt that anything I proposed to a Congressman or a Senator was improper.

Mr. ADCOCK. Did you think Mr. Folsom could better introduce on than one of the Congressmen, or one of the Senators?

Mr. HINES. I did not know whether he could or not. I felt that he being a very prominent lawyer and being a Democrat, and I having seen him at Washington many times on public affairs, probably he could arrange an interview where I had not been successful in arranging it.

Mr. ADCOCK. There had been an attempt by the Congressman from Illinois?

Mr. HINES. Yes; and they had been apparently unsuccessful.

Mr. ADCOCK. They had been there before that?

Mr. HINES. Yes.

Mr. ADCOCK. I see. Did they go in a body?

Mr. HINES. They went individually, in twos and threes, in half-dozens and in tens.

Mr. ADCOCK. Were you present at any of those times?

Mr. HINES. No, sir.

Mr. ADCOCK. Was Mr. Newman or Mr. Poppenhusen?

Mr. HINES. No, sir.

Mr. ADCOCK. Have you any way that you can fix the date that they went?

Mr. HINES. No; because they went more than once, and I have not any recollection of dates, except that they told me they had been there, and they told me what was said, in a general way.

Mr. ADCOCK. Did Secretary Crowell give to any one of them the reason why—

Mr. HINES. He gave a number of reasons. One reason was that the specifications did not contain any provisions in regard to heat, light, or power. That was immediately followed by a letter calling his attention directly to the contract, which covered all these items in detail.

Mr. ADCOCK. And he told the Congressman that when they called?

Mr. HINES. He told that at one interview.

Mr. ADCOCK. Which of them was that?

Mr. HINES. That was the interview with Senator-elect McCormick and Mr. Poppenhusen.

Mr. ADCOCK. You do not know whether he told any of the other Congressmen?

Senator HARDWICK. It has been suggested that that is hardly very material.

Senator FRANCE. We can not see the relevancy of a man coming here and asking his Congressman to go to one of the executive departments with reference to a matter concerning the State. We can not see the relevancy of it, and unless you can show the relevancy, we prefer to shorten this, if we can.

Mr. ADCOCK. I wanted to bring out the reason why he employed Mr. Folsom. If he had all these introductions, and so on, by Congressmen, and they had gone and asked that question, why was it necessary to employ Mr. Folsom?

Senator HARDWICK. There may be some connection, but it is slight. Ask him the direct question.

Senator FRANCE. This is simply to save time.

Mr. ADCOCK. I would be very glad to adopt the suggestion of the committee.

What was the feeling against Mr. Newman in the War Department?

Mr. HINES. It was partly shown by atmosphere, and partly by words. At the meeting in which I was present, Mr. Hare seemed to show a feeling against Mr. Newman, and then in words he stated to me that Mr. Newman in preparing what is known as the history, which was a written brief of exact facts, had not quoted certain clauses correctly. I told him I was very anxious to have nothing in it but absolute facts. I ascertained every single statement put in that was a fact, except the question of time in one clause. The substance was correct. It is simply a question whether it occurred two weeks or three weeks from that.

Mr. ADCOCK. It was only a question of the date?

Mr. HINES. Yes; a very slight difference.

Mr. ADCOCK. Did anybody else say anything against Mr. Newman?

Mr. HINES. He is the only gentleman I saw in the War Department. I only saw Mr. Crowell for five minutes.

Mr. ADCOCK. You saw Mr. Hare?

Mr. HINES. Yes, sir.

Mr. ADCOCK. Did he show any feeling?

Mr. HINES. Yes; rather intense feeling.

Mr. ADCOCK. You did not see anybody else?

Mr. HINES. He is the only gentleman I saw in the War Department.

Mr. ADCOCK. When was it you saw Secretary Baker about this investigation that you wanted. I think on November 3, was it not, the 14th, or October 29?

Mr. HINES. I think that is the date: yes.

Mr. ADCOCK. Did you say anything at that time to him about making an investigation as to Mr. Newman and his exoneration of Erskine, so far as the War Department was concerned?

Mr. HINES. No; I considered that too trivial to discuss with Mr. Baker.

Mr. ADCOCK. You stated that the Stotesbury report had come through Mr. Erskine. What did you mean by that?

Mr. HINES. According to what Mr. Baker said to me. There was no means of knowing what was in the report. I simply quoted what he said.

Mr. ADCOCK. Prior to that time had there been anything said that indicated that it was necessary that Mr. Erskine should be exonerated of anything?

Mr. HINES. Mr. Hare showed intense feelings against Mr. Erskine, and he said that he did not wish him to have anything to do with this proposition.

Mr. ADCOCK. Did Secretary Baker know that?

Mr. HINES. What?

Mr. ADCOCK. Did Secretary Baker know Mr. Hare's feeling?

Mr. HINES. Secretary Baker at this time was in France.

Mr. ADCOCK. Well, Mr. Crowell?

Mr. HINES. I only had five minutes' conversation with Secretary Crowell, and he said he did not have time to go into those matters. I do not know what he knew; I am just telling you what he said.

Mr. ADCOCK. You were objecting to the construction of those hospitals at Fort Sheridan, were you not?

Mr. HINES. Yes; and I am now.

Mr. ADCOCK. Did Mr. Trainer have anything to do with the policy of the Government in constructing the hospitals at Fort Sheridan?

Mr. HINES. I do not know.

Mr. ADCOCK. Did you ever think he had?

Mr. HINES. I never gave that feature any consideration, whether he had or not.

Mr. ADCOCK. So far as you know, he did not have?

Mr. HINES. I have my impression.

Mr. ADCOCK. All right; give us your impression.

Mr. HINES. My impression is that the increase of the beds at Fort Sheridan was done to eliminate the taking over of this hospital, in order to show the public that the additional beds were not necessary.

Mr. ADCOCK. Did Mr. Trainer do anything, or is it your impression that Mr. Trainer did anything, to encourage that feeling?

Mr. HINES. It is my impression that Mr. Trainer did.

Mr. ADCOCK. How did you get that impression?

Mr. HINES. From a combination of circumstances and from the atmosphere that surrounded this matter.

Mr. ADCOCK. What combination of circumstances do you refer to?

Mr. HINES. Well, in the first place, the circumstance of Mr. Trainer's coming into Mr. Shank's office; the circumstance of his going to Mr. Newman's office; and the fact that this project was approved by every department of the Government until it reached the real estate department; and then, peculiarly, a valuation of \$600,000 an acre was put upon this land, that any fair-minded man knows was conservatively about one-third of its true valuation, in order to show the Government that the difference between the costs of the projects finished, based upon a reasonably fair valuation of the lands, was not as represented; in other words, to see what the difference was between having the Government construct these buildings and having these lands improved; that is, for a smaller amount than the facts were.

Mr. ADCOCK. On what property is the building at Fort Sheridan being constructed?

Mr. HINES. I understand it is on property owned by the Government?

Mr. ADCOCK. On property owned by the Government?

Mr. HINES. Yes.

Mr. ADCOCK. Now, will you tell me in what way and how Mr. Trainer could ever have anything to do with the construction of hospitals at Fort Sheridan?

Mr. HINES. I just explained to you, by increasing the frame structures at Fort Sheridan, on the surface it would eliminate the taking over of this modern fireproof Speedway, and that was confirmed by the statement that Mr. Shank told me in the restaurant, that had Mr. Shank gone along with Mr. Trainer there would have been no difficulty. That and other circumstances which I hope to bring out will illustrate my impression.

Mr. ADCOCK. That is what Shank told you?

Mr. HINES. Yes.

Mr. ADCOCK. But you have not yet told me how Mr. Trainer could affect the increasing of space for hospital buildings at Fort Sheridan.

Mr. HINES. Being on the advisory committee, with full authority to rent space in Chicago, a very responsible position and very confidential, naturally his advice would be asked upon matters affecting the hospital bed situation in Chicago.

Mr. ADCOCK. Do you know whether his advice was asked?

Mr. HINES. No; except I know the events that followed.

Mr. ADCOCK. You know the authority of the commission that Trainer was on, do you?

Mr. HINES. I have just heard it explained here by one of the officers of the Government, and from their acts I draw my conclusion.

Mr. ADCOCK. You understood that all they had to do was to acquire or lease existing buildings, did you not?

Mr. HINES. The Speedway was an existing building.

Mr. ADCOCK. Yes; but the——

Mr. HINES. Just a moment; pardon me.

Mr. ADCOCK. Will you answer my question?

Mr. HINES. I will be very glad to. What is your question?

(The last question was read aloud by the stenographer as follows:)

Mr. ADCOCK. You understood that all they had to do was to acquire or lease existing buildings, did you not?

Mr. HINES. Yes, sir.

Senator HARDWICK. Now, you may qualify your answer if you wish to do so.

Mr. HINES. I would like to just qualify that. As has been shown by the testimony here, conclusively, and as the facts will show, the Speedway Hospital was nearer completion to be occupied as a hospital than the Field Museum was or could be arranged. Therefore, in taking the Field Museum over upon a technicality as a building, that is a mere subterfuge, and not the facts.

Mr. ADCOCK. When did you commence work on the Speedway?

Mr. HINES. On the 1st day of September.

Mr. ADCOCK. You had to acquire ground, did you not?

Mr. HINES. We had to take down a steel and frame structure that cost over \$200,000.

Mr. ADCOCK. When was that done?

Mr. HINES. Immediately.

Mr. ADCOCK. What date was it removed?

Mr. HINES. It was started on the day following Labor Day.

Mr. ADCOCK. I know, but when was the building removed?

Mr. HINES. I can not be exact. It was within a few days.

Mr. ADCOCK. Do you know what time this commission came out to Chicago, or was appointed?

Mr. HINES. I have not the exact date, no, sir.

Mr. ADCOCK. About September 25, was it not?

Mr. HINES. I think that is approximately the date; yes, sir.

Mr. ADCOCK. And when was the first time the Speedway Park was offered to the Government for any purpose?

Mr. HINES. I think in the winter of 1917 or 1918. It was offered at a million and a quarter of money for the ground, and the expense of the minor improvements, etc.

Mr. ADCOCK. One and a quarter millions?

Mr. HINES. One and a quarter millions. That was offered from the firm of Hart & Chandler, after conference between Shank, the officers, and myself.

Mr. ADCOCK. When was it offered as a hospital for the first time?

Mr. HINES. Mr. Shank informed me about the meeting he had in Washington, incidentally, with a Dr. Magnuson, of Chicago, and about that time his thoughts involved acting with Dr. Magnuson's suggestion. I want to say who Dr. Magnuson is. He is chairman of the State Board of Reclamation of Illinois. I never met the gentleman, but that is the fact. He had in mind a reconstruction or reclamation hospital that would later be used by the State of Illinois.

Mr. ADCOCK. Do you know what the plan of that hospital was?

Mr. HINES. The plan was a three-story, fireproof construction hospital, a good deal along the lines of this, except this is a four-story building.

Mr. ADCOCK. But substantially the same idea?

Mr. HINES. In a general way; yes; and the photograph of that was produced and I think shown to Secretary Baker at the time of Mr. Erskine's interview.

Mr. ADCOCK. Did Mr. Erskine have anything to do with the submission of that proposition?

Mr. HINES. No, sir.

Mr. ADCOCK. Do you remember the date when it was submitted?

Mr. HINES. I am just talking now from memory.

Mr. ADCOCK. Yes.

Mr. HINES. It was in the spring of last year. I was not in Washington during the period directly on this and I did not keep track of dates.

Mr. ADCOCK. Was that plan rejected?

Mr. HINES. If I recollect right, the plan could not be considered. At that time the Surgeon General's Department had no funds available for the building of hospitals. At least, Mr. Shank was so informed, I think.

Mr. ADCOCK. Do you remember when it was rejected—the date?

Mr. HINES. No; I do not.

Mr. ADCOCK. Was it prior to June 18?

Mr. HINES. Oh, yes.

Mr. ADCOCK. Then when did you next submit a proposition for the Speedway Hospital?

Mr. HINES. Mr. Shank came down here some time, I think, after that, and had some talks or tried to get the matter into the Surgeon General's Department again. I forget just the period. At that time I was not attending to business and did not give this thing any close attention.

Mr. ADCOCK. Was that in August?

Mr. HINES. Oh, no; prior to that.

Mr. ADCOCK. Some time in July?

Mr. HINES. In May or early June.

Mr. ADCOCK. That was in May or early June?

Mr. HINES. Yes.

Mr. ADCOCK. So that when you had this talk with Mr. Foster and Mr. Shank in your office about Mr. Trainer this proposition was then on, was it, and being considered?

Mr. HINES. Yes, sir.

Mr. ADCOCK. What was the plan, then?

Mr. HINES. The plan was a fireproof hospital. The exact details had not been worked out. In a general way, it was a building about 2,000 feet long and, I think, about 50 feet wide.

Mr. ADCOCK. About how many beds?

Mr. HINES. The question of beds was rather a misnomer.

Mr. ADCOCK. Do you remember how many beds were provided for in that plan?

Mr. HINES. The question of beds has been rather a misnomer throughout. It was a building to be so long and so high. The question of obtaining beds is a mere matter of calculation, depending on how many rest rooms you have, how many libraries, how many billiard rooms, and how many other things are left in the main building. In an emergency in the same space we can put 50 per cent

more beds, and in a reconstruction and reclamation hospital after the war they have less beds and more rest rooms. The question of beds is purely a question of calculation of how many square feet there are in the building.

Mr. ADCOCK. How did you calculate the plan on which you were building the hospital?

Mr. HINES. The original plan involved utilizing the steel structure that was on the ground, which was 2,000 feet long.

Mr. ADCOCK. Was that the plan that was originated by the Surgeon General's office?

Mr. HINES. No; that was the plan which was regarded favorably, but it had not gotten to the stage of being confirmed by anyone; and then, when Col. Wright had Schmidt, Garden, and Martin come on, as I understood, at that time it was changed to a different construction.

Mr. ADCOCK. So that the plan as then presented is very considerably changed from what it is?

Mr. HINES. No; I would not say so. I would class it this way, as more refined or polished, if you please—more finished.

Mr. ADCOCK. May I ask you just one other question? What date did you offer to buy back this ground within a certain time.

Mr. HINES. That was the date, I think, when I submitted the several figures to Mr. Hare. I think the compilation of the different bids was October 12. That was October 12.

Mr. ADCOCK. That was the time when you offered to purchase the ground back?

Mr. HINES. That was the repurchase clause.

Mr. ADCOCK. I understand Col. Northington is here and that he is going away to-morrow morning.

Senator HARDWICK. We will put him on next. Are you through with Mr. Hines?

Mr. BENNET. Mr. Hines will consent to withdraw from the stand.

Mr. HINES. Yes; of course.

(At this point the witness was temporarily excused.)

#### TESTIMONY OF COL. E. G. NORTINGTON, MEDICAL CORPS, UNITED STATES ARMY.

(The witness was sworn by the acting chairman.)

Senator HARDWICK. Go right ahead now. Col. Northington was a member of this commission, was he?

Col. NORTINGTON. Yes, sir.

Senator HARDWICK. Suppose you ask him just what questions you want to.

Mr. ADCOCK. When did you become a member of this hospital commission which had to do with acquiring or leasing hospitals in the vicinity of Chicago and at Chicago?

Col. NORTINGTON. October 7, 1918.

Mr. ADCOCK. Gen. Robert E. Noble succeeded you as a commissioner?

Col. NORTINGTON. Yes.

Mr. ADCOCK. Will you state what the authority of that commission was?



Col. NORTHINGTON. It was authority granted by the Secretary of War for a commission to secure hospital beds to meet the bed program of 1919 and 1920. The commission was to secure beds by lease of properties, principally existing properties that could be converted into hospital conditions.

Mr. ADCOCK. That is, existing lands with buildings.

Col. NORTHINGTON. Yes, sir; with fireproof buildings as far as possible, and the commission was limited as to the amount of money per bed they could pay, which was not to exceed \$400 a bed.

Senator HARDWICK. That is \$400 per bed per year?

Col. NORTHINGTON. Yes, sir; per year.

Mr. ADCOCK. And that was to cover the period 1918, 1919, and 1920?

Col. NORTHINGTON. Yes; and up to 1921 if necessary—one year after the war; the way most of our leases were to read.

Mr. ADCOCK. That was to cover the cost of —

Col. NORTHINGTON. Alterations and repairs.

Mr. ADCOCK. And rentals?

Col. NORTHINGTON. And rent.

Mr. ADCOCK. Did not your committee have anything to do with the Speedway Hospital project?

Col. NORTHINGTON. The Speedway Hospital project had been abandoned and disapproved by the Secretary of War prior to my joining the commission, so that we had nothing to do with it.

Mr. ADCOCK. And did you not consider that you had any jurisdiction over that as a commission?

Col. NORTHINGTON. Absolutely none.

Mr. ADCOCK. How did this commission act? Did they act unanimously on different projects or by a majority?

Col. NORTHINGTON. The directions creating the commission said that the action of the commission must be unanimous on any proposition or the proposition must be submitted to the Secretary of War for the usual action.

Mr. ADCOCK. That is, if there was any—

Col. NORTHINGTON. Any dissenting vote on any proposition.

Mr. ADCOCK. Who signed the contracts?

Col. NORTHINGTON. I signed the contracts for the commission.

Mr. ADCOCK. And why was that? Why did the other members not sign?

Col. NORTHINGTON. The statute is mandatory that a commissioned officer must sign these leases—some designated commissioned officer.

Mr. ADCOCK. Mr. Richard E. Schmidt was on the commission, and Mr. Trainer, with you?

Col. NORTHINGTON. Yes.

Mr. ADCOCK. Mr. Schmidt represented the construction department, did he not?

Col. NORTHINGTON. Yes, sir.

Mr. ADCOCK. And Mr. Trainer the real estate?

Col. NORTHINGTON. Mr. Trainer the real estate section of the General Staff?

Mr. ADCOCK. How many beds were you directed to obtain?

Col. NORTHINGTON. We were directed—in the vicinity of Chicago there were 12,000 beds estimated needs for that district.

Mr. ADCOCK. How many did you secure?

Col. NORTHINGTON. Well, we tentatively secured, or did secure, in that district 4,000 at the Field Museum and somewhere about 4,000 at Fort Sheridan, and approximately 800 at the Coper-Monotah Hospital. That is about 8,800.

Senator HARDWICK. That is what you got?

Col. NORTHINGTON. Yes.

Senator HARDWICK. And you wanted to get 12,000?

Col. NORTHINGTON. We wanted to get 12,000 in Chicago. That was based on the figure estimated by the Canadians and the French, which showed that 7 per cent per year of the entire force in France would be returned to hospitals in this country.

Senator HARDWICK. That is, of the number of men we had in France, you expected to have in any given period 12,000?

Col. NORTHINGTON. We figured on 12,000 for Chicago—for the Chicago district.

Senator HARDWICK. Do you know what the opinion of Gen. Noble was as to the building known as the Field Museum?

Col. NORTHINGTON. It was considered extremely desirable by myself, I know, and by Gen. Noble.

Senator HARDWICK. What were the reasons?

Col. NORTHINGTON. We had a building with 4,000 beds under one roof that had good rail facilities, in a public park in the city of Chicago, that could be obtained for less than \$400 a bed for the first year and at approximately \$500 a bed for each succeeding year, or about that much. The South Shore commissioners, or the South Park commissioners, had agreed to fill in the land around the museum, and it was in that way made a very good proposition.

Senator FRANCE. Do you think \$400 a bed is a low price?

Col. NORTHINGTON. I do; yes, sir; for that class of hospital.

Senator FRANCE. Do you consider that in many cities you can rent a dwelling house for \$400 a year?

Col. NORTHINGTON. Not of that sort.

Senator FRANCE. Where the bed space is much more than that for \$400 a year?

Col. NORTHINGTON. This is a building of enormous size.

Senator FRANCE. I am not speaking of the Field Museum; I am speaking of the price of \$400 a year for a bed.

Col. NORTHINGTON. I am not well enough acquainted with real estate matters to answer that one way or another. I know that as compared with—

Senator FRANCE. You are, however, acquainted with hospital matters?

Col. NORTHINGTON. Yes, sir.

Senator FRANCE. And you have no knowledge which will enable you to say whether \$400 a year would be reasonable or not?

Col. NORTHINGTON. No, sir; I have not. That was our limit. We could not go over that under the authority which created the commission.

Mr. ADCOCK. Do you know what Senator France has been asking about—the \$1,070,000 rental for the first year? Do you know what that was made up of?

Col. NORTHINGTON. That was made up of several items.

Senator FRANCE. The record shows that. We do not care to introduce it again.

Mr. ADCOCK. The only thing is this, that the impression seems to be that this was entirely a proposition of rental.

Senator FRANCE. No.

Mr. ADCOCK. Whereas it was to create or construct a hospital ~~the~~ in a building that already existed.

Senator FRANCE. I think the record is clear on that, in the previous record.

Mr. ADCOCK. I thought it was, except for inferences that might be drawn.

Well, \$1,070,000 was the construction cost, was it not, to make a hospital out of the building which was there?

Col. NORTHINGTON. Yes, sir.

Mr. ADCOCK. Did you ever hear Mr. Trainer, on the commission, say anything derogatory of the Speedway Park proposition?

Col. NORTHINGTON. Mr. Trainer told me repeatedly that inasmuch as the Secretary of War had disapproved the Speedway proposition, he thought the commission should not in any way deal with it; that personally he thought the Speedway was an unusually good hospital, but inasmuch as we were acting as a commission of the Secretary of War, and the Secretary had disapproved it, we had better stay away from it.

Senator FRANCE. Did he state that the Secretary of War had disapproved of it?

Col. NORTHINGTON. As I remember. This is all my memory, sir.

Senator FRANCE. In other words, your memory is that he did not state that it had not been approved, but he stated that it had been disapproved.

Col. NORTHINGTON. Yes, sir; that is my recollection.

Senator FRANCE. All right. You are quite clear on that?

Col. NORTHINGTON. Yes; I am sure of that.

Senator FRANCE. That he gave the impression that it had been disapproved?

Col. NORTHINGTON. Yes, sir.

Mr. ADCOCK. What was your opinion with reference to that question, as to whether you should take up the matter?

Col. NORTHINGTON. I felt that I had no right to consider the Speedway in any way, as I knew before I left the office that it had been disapproved.

Mr. ADCOCK. And that was your opinion about it?

Col. NORTHINGTON. Yes, sir.

Senator FRANCE. How did you first ascertain that?

Col. NORTHINGTON. I am in the hospital construction division of the Surgeon General's Office, and that disapproval came over my desk before I joined the commission.

Senator FRANCE. So that your information as to the disapproval did not come from Mr. Trainer?

Col. NORTHINGTON. No, sir; I knew it already.

Mr. ADCOCK. In what form did that notice of disapproval come?

Col. NORTHINGTON. As an indorsement from the executive operations office.

Senator FRANCE. Was it the contract itself, with a memorandum of disapproval on it, or was it a separate matter?

Col. NORTHINGTON. I do not remember the inclosures to the letter. I remember a memorandum that came in signed by Col. Wyllie.

Mr. ADCOCK. Was the commission in any way consulted with reference to the policy at Fort Sheridan as to providing ground there?

Col. NORTHINGTON. No, sir.

Mr. ADCOCK. So that Mr. Trainer, so far as you know, had nothing to do with that?

Col. NORTHINGTON. Not a thing.

Mr. ADCOCK. I think that is all that I want to ask him.

Senator FRANCE. I want to ask the Colonel some questions.

Senator HARDWICK. Mr. Bennet, do you want to ask any questions?

Mr. BENNET. Yes, sir. Did you or Mr. Schmidt make a report in writing on the Field Museum?

Col. NORTHINGTON. Yes, sir.

Mr. BENNET. Where is that report?

Col. NORTHINGTON. In the Surgeon General's Office.

Mr. BENNET. And this committee, if it wishes, can get that report?

Col. NORTHINGTON. Yes, sir.

Senator HARDWICK. I think they sent that, did they not?

Mr. BENNET. No, sir; they have been very courteous, but they did not send that.

Col. NORTHINGTON. They sent the full report of the committee.

Mr. BENNET. Are you still there?

Col. NORTHINGTON. No, sir; I have been relieved from that commission.

Senator HARDWICK. Are you still connected with the Surgeon General's Office?

Col. NORTHINGTON. Yes, sir. I will see that that is sent to you by messenger as soon as I get back.

Senator HARDWICK. We will take care of it and send it back to you.

Col. NORTHINGTON. I will send you a copy that can be retained here.

Mr. BENNET. You are sure that this particular matter was referred to the Acting Secretary of War. Secretary Crowell, was it not?

Col. NORTHINGTON. Yes, sir; and it was referred to the Chief of Executive Operations or his office.

Mr. BENNET. And on the 13th of October Mr. Crowell sent a wire to Mr. Trainer that the matter was coming up Tuesday?

Col. NORTHINGTON. I have a recollection of such a matter.

Mr. BENNET. And on the 14th you sent a wire directing Mr. Trainer to close the Field Museum deal?

Col. NORTHINGTON. I do not remember.

Senator HARDWICK. That telegram is in the record.

Mr. BENNET. Now, I want to ask you, if your commission had the power to go ahead and sign leases, why was this particular lease referred to the Director of Operations?

Col. NORTHINGTON. He referred every proposition for the approval of the Acting Secretary of War on every one of them.

Mr. BENNET. In other words, you did not exercise your full powers, did you?

Col. NORTHINGTON. No, sir; we thought it would be probably better to refer them here to Washington.

Mr. BENNET. You have said that the Speedway proposition has been disapproved?

Col. NORTHINGTON. Yes, sir.

Mr. BENNET. Did you refer to this memorandum of September 27 that is already in the record? I will not put that in the record twice.

Col. NORTHINGTON (examining papers). This is the memorandum I had reference to; yes, sir.

Mr. BENNET. Gen. Noble had theretofore approved the Speedway proposition, had he not?

Col. NORTHINGTON. Yes, sir.

Mr. BENNET. And so far as you know, his opinion of the Speedway proposition never changed?

Col. NORTHINGTON. Never changed; no, sir.

Mr. ADCOCK. Who, of your commission, if you remember, suggested the policy of referring matters to the Director of Operations?

Col. NORTHINGTON. I think that was Mr. Trainer's desire, that those things be referred.

Mr. ADCOCK. Did you have the policy of acquiring any particular building, or the general policy of acquiring buildings by lease, with the idea of conserving as much as possible the use of steel?

Col. NORTHINGTON. I do not know that that point was particularly brought out, sir.

Mr. ADCOCK. You do not know that that came to your attention?

Senator HARDWICK. Pardon me; you wanted to get these beds in a hurry?

Col. NORTHINGTON. Yes, sir; we wanted to get these beds in a hurry. We were placed in a position where we were short of beds, and we wanted to get them.

Mr. ADCOCK. Did they always act unanimously?

Col. NORTHINGTON. The commission was unanimous on all propositions.

Senator HARDWICK. Are there any other questions? Have you anything to ask, Senator France?

Senator FRANCE. Yes; I wanted to ask him a few questions to clear up some doubts which I have in my mind with reference to the method of procedure.

Will you state what your residence was and the circumstances of your entering the service?

Col. NORTHINGTON. I have been in the service since 1909.

Senator FRANCE. As a Regular Army surgeon?

Col. NORTHINGTON. Yes, sir.

Senator FRANCE. Will you state how you happened to be assigned to this commission?

Col. NORTHINGTON. I was on duty in the Surgeon General's Office, and Gen. Noble was called from this commission to go to France and I was designated to take his place by the Chief Acting Surgeon General.

Senator FRANCE. You had general charge of the leasing of hospitals in the western part of the country?

Col. NORTHINGTON. In the western part of the country; yes, sir.

Senator FRANCE. And you proceeded to Chicago to look up buildings?

Col. NORTHINGTON. To look up buildings; yes, sir.

Senator FRANCE. What was your method of procedure. Who first brought to the attention of the commission buildings which might be suitable?

Col. NORTHINGTON. Before going on the commission, in the last year, the Surgeon General's Office had been collecting data as to available hospital sites and buildings in general, of a thousand beds or more in capacity, generally fireproof in character, and on going to a town we would go through our list and the commission would visit the different buildings, and they would call upon a member who would state whether in his opinion this building could be made into a hospital. A real estate representative would see about acquiring the property, and after all the data were collected we would have a meeting and discuss the various points and come to a decision.

Senator FRANCE. You finally selected three properties, as I understand it, in Chicago, the Field Museum—

Col. NORTHINGTON. The Field Museum and the Cooper-Monotah Hotel.

Senator FRANCE. Only those two?

Col. NORTHINGTON. Yes, sir.

Senator FRANCE. Were they on the list?

Col. NORTHINGTON. They were on the list; yes, sir.

Senator FRANCE. Do you know what the date of that list was that you stated, or how long before the date—

Col. NORTHINGTON. It was accumulative affair, Senator. They had been collecting all last year on it. We have in our office a book which contains the names and descriptions of all buildings, practically, in this country capable of holding at least a thousand beds.

Senator FRANCE. This list had been made up some time prior to your visit to Chicago?

Col. NORTHINGTON. Last summer; some time during the summer; yes, sir.

Senator FRANCE. You visited the Field Museum?

Col. NORTHINGTON. Yes, sir.

Senator FRANCE. At what date?

Col. NORTHINGTON. I do not remember the exact date, but it was somewhere near the 10th or 11th of October.

Senator FRANCE. The 10th or 11th of October of last year?

Col. NORTHINGTON. Approximately.

Senator FRANCE. And on what date did you decide to recommend that to the Government?

Col. NORTHINGTON. I think it was about the 11th or 12th. I am not sure of the date. It was some time prior to the 15th of October.

Senator HARDWICK. Your report will show it?

Col. NORTHINGTON. Yes, sir; that will show the date.

Senator FRANCE. You say the decision was unanimous?

Col. NORTHINGTON. Yes, sir.

Senator FRANCE. All of the members of the commission were present when the matter was finally decided?

Col. NORTHINGTON. Yes, sir.

Senator FRANCE. And how was the unanimity of opinion on the subject obtained? Was there a vote?

Col. NORTHINGTON. No; we talked it over. The report was dictated and written, and we all three signed it.

Senator FRANCE. You considered the Field Museum to be superior to the Speedway?

Col. NORTHINGTON. No, sir; I do not. The Speedway was a claim we did not consider at all, because I felt we had no right to consider it, inasmuch as our chief, the Secretary of War, had disapproved it.

Senator FRANCE. Now, with reference to this hotel property, you looked upon your list and found that the hotel was available?

Col. NORTHINGTON. It was under construction at that time.

Senator FRANCE. It was a new property under construction?

Col. NORTHINGTON. Yes.

Senator FRANCE. It was not occupied?

Col. NORTHINGTON. No; I do not think so. I know it was not, in fact.

Senator FRANCE. Do you recall what the rental was on that?

Col. NORTHINGTON. I do not remember the exact rental.

Senator FRANCE. Your records will show what the rental was?

Col. NORTHINGTON. Yes; they will show what it was.

Senator FRANCE. Did you consider that to be superior to the Speedway as a hospital?

Col. NORTHINGTON. I did not compare it in any way, Senator, with the Speedway.

Senator FRANCE. You mean the two were so totally different?

Col. NORTHINGTON. Entirely; yes.

Senator FRANCE. They were not subject to comparison?

Col. NORTHINGTON. No, sir.

Senator FRANCE. But ordinarily a hotel property is not desirable as a hospital?

Col. NORTHINGTON. Not as desirable as a hospital built for that purpose. We were faced with the problem of providing a certain number of beds in a short length of time, preferably in fireproof buildings.

Senator FRANCE. In fact, there is an abundance of testimony before this committee to the effect that hotel properties are utterly unsuitable for hospital purposes and, in fact, that they can not be used.

Col. NORTHINGTON. That is not true, in my opinion, because I see them operating and know they are operating as good hospitals.

Senator FRANCE. The testimony, however, of your fellow physicians is to that effect.

Senator HARDWICK. We have had same letters to that effect.

Col. NORTHINGTON. That is a matter of personal opinion, but I have seen them operating, and I know that they make good hospitals, because I have charge of that division of the Surgeon General's office.

Senator HARDWICK. They may not be as desirable.

Col. NORTHINGTON. They are not as desirable as buildings especially constructed for the purpose of hospitals. They could not possibly be.

Senator FRANCE. Army officers often have to operate under conditions that are not the most favorable?

Col. NORTHINGTON. I have myself operated under them worse than in the open air.

Senator FRANCE. You have not in mind the lease price of that hotel property?

Col. NORTHINGTON. No, sir.

Senator FRANCE. So that you can not express any opinion whether the terms were favorable or unfavorable?

Col. NORTHINGTON. No, sir; I know it was considerably less than \$400 a bed; the total cost of construction, and including everything.

Senator FRANCE. Did you not plan to put more than one bed in a hotel room?

Col. NORTHINGTON. It depended on the size of the room. We allow 80 square feet to a man.

Senator BECKHAM. How long did your lease last, Colonel?

Col. NORTHINGTON. All our leases run by fiscal years—the statutory lease.

Senator BECKHAM. Was not that lease canceled?

Col. NORTHINGTON. What is that, sir?

Senator BECKHAM. The Field Museum lease?

Col. NORTHINGTON. It is still operating as a hospital.

Senator BECKHAM. What about the Field Museum?

Col. NORTHINGTON. The Field Museum is under negotiation for cancellation now. When the armistice was signed the Surgeon General asked for the cancellation of leases of all properties which were not absolutely needed to take care of the number of sick and wounded that we absolutely knew would come back.

Senator BECKHAM. And the Field Museum lease was not canceled until the armistice was signed, was it?

Col. NORTHINGTON. No, sir; because we have needed that number of beds in the Chicago district.

Senator HARDWICK. What about the West Baden proposition? Did you have anything to do with that?

Col. NORTHINGTON. I did not have anything to do with it. It was secured by the members of a commission. I am entirely familiar with the hotel, and I know that it is running as a hospital now, and doing good work.

Senator HARDWICK. Can you give us about the amount of that lease?

Col. NORTHINGTON. As I remember, it was very reasonable.

Senator HARDWICK. \$10,000 a month, was it not?

Col. NORTHINGTON. Something like that; yes, sir.

Senator FRANCE. Did you examine other properties in Chicago which you finally rejected?

Col. NORTHINGTON. Yes, sir.

Senator FRANCE. Could you give, from memory, a description of any of those?

Col. NORTHINGTON. I remember the Laporta Hotel, the Lexington Hotel, the South Shore County Club, and probably four or five others, the names of which I can not remember; and those were the most promising propositions there.

Senator HARDWICK. Are there any other questions, gentlemen? If not, Colonel, you are excused with the thanks of the committee for your attendance.



Mr. ADCOCK. You canvassed all the properties that you thought were available?

Col. NORTHINGTON. We examined a great many; yes, sir.

Senator HARDWICK. Have you any other witness just now?

Mr. ADCOCK. I want to ask Mr. Hines some more questions.

Senator HARDWICK. Very well; let Mr. Hines take the stand again.

#### TESTIMONY OF MR. EDWARD HINES—Resumed.

Mr. ADCOCK. Mr. Hines, you say you saw Mr. Baruch on October 28?

Mr. HINES. On Monday. I think that is the day of the month. [After examining memorandum book.] Yes; October 28.

Mr. ADCOCK. Will you state what was said at that conversation by Mr. Baruch?

Mr. HINES. Yes; I think I can state it pretty clearly. As I stated, Mr. Baruch telephoned me to come down to his office.

Senator HARDWICK. Just a moment. You do not want him to repeat what he said before, do you?

Mr. ADCOCK. He has not detailed that conversation.

Senator HARDWICK. He was going to repeat the conversation, I thought.

Mr. ADCOCK. I will ask him, what did he say with reference to Mr. Trainer.

Senator HARDWICK. That is it.

Mr. HINES. In reply to his inquiry I said, "Mr. Baruch, as regards something peculiar in the War Department, why this contract was not being signed," after he, Mr. Baruch, said that every department of the Government had approved it. He said, "It seems very strange, Mr. Hines. Can you give me any idea; have you anything in your mind that might indicate the reason?" He said, "I would like to help this project," said he mentioned why. One reason was that the construction of this building would not require any amount of material to be hauled from the outside, and that he understood from Mr. Erskine that most of the material was on the ground to construct it, particularly practically all the steel. Also, the brick had to come but a short distance by automobile truck, and the cement and stone, etc. He said, "I would like to assist in this matter." I said, "Mr. Baruch, I feel, considering the disposition you have shown and the position you occupy at this time, that I ought to tell you of an incident that I have not told to anybody else." I told him about Trainer's visit.

Mr. ADCOCK. Tell us what he said.

Mr. HINES. I said, "Mr. Baruch, a peculiar incident has occurred here. I feel that in the question of valuation of the real estate there has been some influence used to classify this real estate as being worth very much less than it is actually worth." I said, "It also indicates to me that there is some influence trying to stop this hospital being utilized." Then he asked me what it was, and I explained to him about Mr. Trainer, as I have related it here; and that is the time he asked me if I had an appointment with Secretary of War Baker, and I told him I had an appointment with him that evening at 5 o'clock.

Mr. ADCOCK. What did you say to Secretary Baker at the conference you had with him about Mr. Trainer?

Mr. HINES. I, in substance, told Mr. Baker just what my testimony was here.

Mr. ADCOCK. Just state what you said.

Mr. HINES. I said, "Mr. Baker, in my talk with Mr. Baruch this morning I related an incident to him, that I feel that I should also relate to you, and," I said, "it warrants my asking a full investigation of every circumstance relating to this hospital situation, of the Speedway Park."

Mr. ADCOCK. What did you say? Did you describe or state what led you to believe you were entitled to an investigation?

Mr. HINES. Yes, sir.

Mr. ADCOCK. What was that?

Mr. HINES. One thing was the incident on the question of the appraisal of the real estate. One was the atmosphere in regard to the trying not to utilize this modern, fireproof hospital, which seemed to me criminal, on the face of it; and I emphasized that very forcefully in as intelligent a way as I could to Secretary Baker.

Mr. ADCOCK. Did you state anything about the conversation that you had had with Mr. Shank and Foster in June, sometime, and your conversation with Mr. Newman?

Mr. HINES. I gave Mr. Baker a general idea of that situation; yes, sir.

Mr. ADCOCK. What did you say?

Mr. HINES. It is impossible to state in words——

Mr. ADCOCK. Will you state in substance, what you said?

Mr. HINES. I have just stated that in substance.

Mr. ADCOCK. Did you tell him that on a certain date somebody came to your office, and so on, and made this statement?

Mr. HINES. I stated in substance——

Mr. ADCOCK. Will you state just what you said?

Mr. HINES. I explained to Secretary Baker about the peculiar influence in regard to the real estate; also that Mr. Trainer, of the real estate department of the Surgeon General's Department, with which I understood he was connected, had gone to Mr. Shank's office and had gone to Mr. Newman's office, and Mr. Shank and Mr. Foster related to me the conversations, and that I at that time wanted to inform the War Department, but I acted on the advice of Mr. Newman because the project was just at the stage where we hoped it would go through. Mr. Newman promised that in some way he would notify the proper agents of the Government.

Mr. ADCOCK. What did you tell Secretary Baker that Mr. Shank and Mr. Foster told you?

Mr. HINES. I told him Mr. Trainer and Mr. Clark had called at their office and had solicited a commission.

Mr. ADCOCK. You told him that they said Mr. Trainer and Mr. Clark had called?

Mr. HINES. Yes.

Mr. ADCOCK. Go ahead.

Mr. HINES. And that they had solicited a commission, and that they wanted to arrange to have Mr. Shank and Mr. Foster, both of them, arrange a meeting with me whereby a commission, in some

form or shape, would be arranged through Mr. Reynolds, of the bar, and that I had refused to meet Mr. Trainer or Mr. Clark, or to have anything to do with the proposition.

Mr. ADCOCK. Did you say that they had demanded \$100,000 commission?

Mr. HINES. I said that that was the sum that was named to me.

Mr. ADCOCK. You stated that that was the sum, and you stated then that Mr. Shank and Mr. Foster had told you that Mr. Trainer and Mr. Clark had demanded that?

Mr. HINES. Yes.

Mr. ADCOCK. What did you say to Mr. Baker about the conversation in Mr. Newman's office?

Mr. HINES. I am not positive I went into the whole detail.

Mr. ADCOCK. Did you tell him anything about that conversation?

Mr. HINES. I think I did, but I would not be positive. I was just giving to Mr. Baker the real high spots of the conditions as I understood them, and taking as little time as possible.

Mr. ADCOCK. You say you think you did. Is it your best recollection that you did?

Mr. HINES. I am not certain in my recollection, whether I did or did not.

Senator HARDWICK. You told the Secretary of War exactly what you suspected Mr. Trainer of doing, although you do not remember how much in detail you did it?

Mr. HINES. Yes, sir. He was very busy, and I did not go into the details.

Senator HARDWICK. You told him that Mr. Trainer had tried to get \$100,000 out of you?

Mr. HINES. And that through that department this matter was being blocked.

Senator HARDWICK. That is the idea.

Mr. ADCOCK. I am trying to find out if he stated to Secretary Baker that Mr. Shank and Mr. Foster had come to his office and told him that Mr. Trainer and Mr. Clark had been to Mr. Shank's office and had demanded \$100,000 commission.

Senator HARDWICK. Of course, tell counsel all the details that you remember to have told the Secretary.

Mr. HINES. I do not know just how definitely I limited it. I tried to give Mr. Baker in as quick a way as I could this phase with other phases, touching the high spots, and demanding an investigation on that entire transaction. My purpose there was not so much to go into details as it was to demand a commission or some official of the Government who would look into these matters and ascertain the facts.

Mr. ADCOCK. Did you tell Secretary Baker, in substance, that Mr. Shank and Mr. Foster had told you that Mr. Trainer and Mr. Clark, or both or either one of them, had demanded \$100,000 commission?

Mr. HINES. At this time I would not say I told him all the details.

Mr. ADCOCK. What is your best recollection about it?

Mr. HINES. My recollection is that I gave Secretary Baker—

Mr. ADCOCK. Now, is it your best recollection that you did say that, in substance, or not?

Mr. HINES. I would not at this time attempt to qualify the exact words I gave Secretary Baker. I went for one specific purpose—to

demand an investigation of the hospital situation so far as the Speedway Park was concerned—and to warrant my request I told him there had been an attempt to secure, as I classed it, a bribe on this proposition. Now, how much into details I went I would not say.

Mr. ADCOCK. You told him the sum of \$100,000, did you?

Mr. HINES. I think so. I would not be positive. If I used the term \$100,000 I might have used the term "bribe" without stating the amount. I would not be positive.

Mr. ADCOCK. Did you state the same thing to Mr. Baruch?

Mr. HINES. Yes, sir.

Mr. ADCOCK. The same you did to Secretary Baker?

Mr. HINES. Yes.

Mr. ADCOCK. Yes.

Mr. HINES. I stated it rather fully to Mr. Baruch, because he seemed to give me more time; was very much interested in the subject.

Mr. ADCOCK. Is that the photograph you referred to in your direct examination? [Handing photograph of document to witness.]

Mr. HINES. Yes, sir.

Mr. ADCOCK. Will you point out what there is that indicates that telephone message?

Mr. HINES. Here it is, "JU 27," which means June 27; "7122 RVFOR." meaning River Forest; "15," that being the amount of money, 15 cents.

The next charge follows in the next line, "JUN 27, 7122 RV FOR, 15:." meaning June 27, River Forest, 15 cents.

Those are the two calls from our office to the golf links in River Forest that I referred to as calling Mr. Newman from the golf links.

Mr. ADCOCK. What was that golf club?

Mr. HINES. At this time I can not tell you the name of it. I never called up that number before, and I have never called it since.

Mr. ADCOCK. River Forest?

Mr. HINES. Wait a moment; it is not River Forest. This number, 7122, is the number of the golf links. River Forest is in the town, but that number, 7122, my secretary tells me, is the number of the golf-links telephone.

Senator HARDWICK. That is not material.

Mr. ADCOCK. I think it is important.

Mr. HINES. Here it is. [Consulting memorandum book.] Park River Club, River Forest, 7122. That is in correspondence with this telephone charge, which is a photograph of our monthly bill.

Mr. ADCOCK. When was that photograph made?

Mr. HINES. My secretary could tell that. When was it, Mr. Nelson?

Mr. NELSON. I do not know. It was sometime ago.

Mr. ADCOCK. How long ago?

Mr. NELSON. Three or four weeks.

Mr. ADCOCK. It was not prior to the Stotesbury examination of Mr. Hines, was it?

Mr. HINES. Oh, no; just recently.

Mr. ADCOCK. Recently?

Mr. HINES. Recently.

Mr. ADCOCK. Your secretary usually keeps track of the dates of conversations, etc., that you have, does he not?

Mr. HINES. Oh, no. I have conversations when he is not present at all.

Mr. ADCOCK. Do you have a memorandum book?

Mr. HINES. Sir?

Mr. ADCOCK. Do you have a memorandum book in which you put things?

Mr. HINES. I do sometimes, and sometimes I do not.

Mr. ADCOCK. I know, but you have been referring to your memorandum book.

Mr. HINES. In many cases I know the day of the week, and I can verify the day of the month by referring to the memorandum book, and I can see here it is the 21st or the 22d.

Mr. ADCOCK. What was the date when Shank and Foster came to your office?

Mr. HINES. It was the date upon which this telephone call occurred, because while I was in my office I called up Mr. Newman on the golf links. This confirms the date, which was the 27th day of June.

Senator HARDWICK. You need not waste much time on that. It has been testified to by several people, and there is no dispute about it, and it is not very important anyhow.

Mr. ADCOCK. I think it is rather important.

Senator HARDWICK. As to whether he called Mr. Newman up or not?

Mr. ADCOCK. No; the date of the conversation.

Senator HARDWICK. What you are particularly worried about is the date?

Mr. ADCOCK. Yes.

Senator HARDWICK. That may be; I do not know about that.

Mr. ADCOCK. You think that was the 27th of June?

Mr. HINES. The 27th of June.

Mr. ADCOCK. How many conversations did you have with Messrs. Clark and Trainer prior to that time?

Mr. HINES. They said that they had come right from their office, and that Clark and Trainer had left there a short time before.

Mr. ADCOCK. Did they say whether they had seen Clark and Trainer prior to that time of the conversation?

Mr. HINES. I asked that question, and Mr. Shank told me that just prior to that time, a day or two. I should judge, it is my recollection that some one of their firm had called them up on the telephone and asked them for a pass to go out to the grounds of the Speedway Park, and that he kindly offered to go out with them and did go out with them, with Mr. Wheelock. I asked him if he had any other talks with these gentlemen at all, and he said that he had not. I particularly questioned him before he came to the room.

Mr. ADCOCK. He said that he had not?

Mr. HINES. Yes.

Mr. ADCOCK. Then there were two conversations that Shank and Foster told you about? There was one when they went to the Speedway Park to look at it and another one on the 27th of June?

Mr. HINES. That is the best of my recollection now.

Mr. ADCOCK. That is the best of your recollection?

Mr. HINES. Yes.

Mr. ADCOCK. Are you positive that Mr. Shank and Mr. Foster, or either one of them, told you that Mr. Clark or Mr. Trainer, or both of them, had asked for a commission?

Mr. HINES. Very positive.

Mr. ADCOCK. You are very positive of that?

Mr. HINES. Yes, sir.

Mr. ADCOCK. You are positive that they mentioned an amount?

Mr. HINES. Yes; I am very positive.

Mr. ADCOCK. And that the amount was \$100,000?

Mr. HINES. Yes; I am very positive.

Mr. ADCOCK. And that conversation you communicated to Mr. Newman?

Mr. HINES. That afternoon.

Mr. ADCOCK. That very afternoon?

Mr. HINES. Yes, sir; I called him up at the gold links and asked him to come down town.

Mr. ADCOCK. Do you remember whether you questioned Mr. Foster and Mr. Shank as to just exactly what conversation they had had with Mr. Trainer?

Mr. HINES. I particularly questioned them in a quiet way, because I could not understand the visit. It seemed rather peculiar to me, and in a quiet way I did question them.

Mr. ADCOCK. What do you mean by "a quiet way"?

Mr. HINES. I just asked them what was the object of their coming to his office; had there been any negotiations that might lead up to this, for the reason that Mr. Shank had charge of this property, and I thought possibly there had been something prior to this thing that might lead up to this. Mr. Foster, who is secretary and treasurer of the company, explained in a very definite way to me that he had had no negotiations at all with these gentlemen, and that he was very much surprised at their approaching him as they did.

Mr. ADCOCK. Did he tell you just what they said that led him to believe that they wanted a commission?

Mr. HINES. He said that when they first came into the office he was out in the other office, and that Mr. Shank met them and brought them both around to where he was and that they went on to state that they were in a position to help this matter along, that they had been in the real estate business in Chicago, and they felt that their services should be paid, and that Mr. Trainer was at that time in charge. I think he said, of the surgical department of the real estate here, and he said that they said they ought to have \$100,000 for it, and that if he would arrange a meeting with myself and Mr. Trainer and Mr. Clark where it could be arranged, and either put that money up or arrange with Mr. Reynolds that the sum would be paid, that the matter would receive favorable consideration, and I questioned them rather at length about the talk and also about any previous meetings that they had ever had or any connection of any kind, and they both assured me that they had had none.

Mr. ADCOCK. Did you question them as to the words that Mr. Trainer or Mr. Clark used, from which they believed that they wanted a commission and a commission of \$100,000?

Mr. HINES. I just quoted in substance——

Mr. ADCOCK. What were the exact words?

Mr. HINES. I do not know; I would not say the exact words, but in substance, that kind of conversation.

Mr. ADCOCK. Did you become very indignant about it?

Mr. HINES. Sir?

Mr. ADCOCK. Did you become very indignant about it?

Mr. HINES. I will quote you what I said to them almost literally.

Mr. ADCOCK. Go ahead.

Mr. HINES. You can make your own surmise. I said I would not have a d——n thing connected with the transaction. I said, further, I would not see Mr. Reynolds on a subject matter of that kind, and I said, further, that I would not meet Mr. Trainer or Mr. Clark.

Mr. ADCOCK. Did Mr. Shank tell you at any time about a conversation concerning commissions in Mr. Poppenhusen's office?

Mr. HINES. Mr. Newman told me about it.

Mr. ADCOCK. Did Shank tell you?

Mr. HINES. About a commission?

Mr. ADCOCK. About a conversation at Mr. Newman's office about commissions?

Mr. HINES. No, sir.

Mr. ADCOCK. He never said anything about it?

Mr. HINES. Mr. Newman told me about that.

Mr. ADCOCK. You say that he told you?

Mr. HINES. Yes, sir.

Mr. ADCOCK. Do you know whether there was any meeting at Mr. Poppenhusen's office on the 25th of June between Newman, Poppenhusen, Hodge, and Shank?

Mr. HINES. Yes.

Senator HARDWICK. Are you sure about the date?

Mr. HINES. Approximately that date. I would not say positively.

Mr. ADCOCK. Shank told you about that meeting, did he?

Mr. HINES. I would not be positive whether Shank or Newman, but I learned of the meeting.

Senator HARDWICK. Let me ask you a question. I want to keep my mind straight on this.

Mr. HINES. Yes, sir.

Senator HARDWICK. The meeting you referred to was prior to the report to you that these men were trying to get a commission out of you, or afterwards?

Mr. HINES. My memory serves me now that it was afterwards.

Senator HARDWICK. After that?

Mr. HINES. Yes, sir.

Senator HARDWICK. In other words, the meeting referred to was a meeting after this knowledge had come to you?

Mr. HINES. A day or two afterwards.

Senator HARDWICK. Pretty soon afterwards?

Mr. HINES. A day or two afterwards.

Senator HARDWICK. Another thing. My recollection is that you testified, or it was testified to by somebody, that when you got him from the golf links Mr. Newman told you, "Don't you have anything to do with these people, and I will get them and see what it means?"

Mr. HINES. No, sir; he did not say that.

Senator HARDWICK. In substance?

Mr. HINES. No; he did not say that at all. I would like to correct that impression, if I gave it.

Senator HARDWICK. Yes.

Mr. HINES. That was not what it was. I explained to Newman exactly what Shank and Foster had said.

Mr. ADCOCK. When you say "explained," you mean that you told him?

Mr. HINES. I told him, in substance. He said, "What reply did you make?" "I told him I would not have a thing to do with the transaction, and that I would not approach Mr. Reynolds on a subject matter of that kind." He said, "That is right," and he said, "Now, don't you meet any of those gentlemen, or see them at all, on a transaction of that kind." I told him I would not. I also said, "Mr. Newman, I feel that we ought to notify the Government immediately about this transaction." He said, "Let me think about that a little. If you notify them immediately and your proposition is just in the situation it is in, it will, maybe, delay the project." He said, "As long as you are not doing anything or saying anything about it, you are not committing any crime, and you may seriously hurt the proposition or delay the work. But," he said, "in my own way I may let the officials know about it. Let me think about it."

Senator HARDWICK. I got the impression somewhere or other, I do not know where I got it, that Mr. Newman, after you gave him this information, proceeded to get these people together to see what they meant by that proposition.

Mr. HINES. No; absolutely not.

Senator HARDWICK. He did not get them together?

Mr. HINES. No, sir.

Mr. ADCOCK. He did not get them together?

Mr. HINES. No, sir. I understand just the contrary.

Senator HARDWICK. That they came to him?

Mr. HINES. Yes; absolutely.

Mr. ADCOCK. They came on their own hook?

Mr. HINES. I do not know how they came there, but I understand that in no way did he send for them.

Mr. ADCOCK. Did you understand that Mr. Hodge was present on the occasions when commissions were talked about in Mr. Poppenhusen's office?

Mr. HINES. I have understood that Newman and Poppenhusen, Hodge, Trainer, and Clark were present.

Mr. ADCOCK. You heard that Mr. Hodge was present? Mr. Shank, you say, was not there?

Mr. HINES. No, sir; not as I understand it.

Mr. ADCOCK. So that the only persons representing you there were your lawyers?

Mr. HINES. Yes, sir.

Mr. ADCOCK. And you do not know how that meeting came about?

Mr. HINES. No, sir; I have no knowledge, except hearing Mr. Newman's testimony on the stand.

Mr. ADCOCK. Did you understand why Mr. Hodge was there?

Mr. HINES. No, sir.



Mr. ADCOCK. As I understand, you are not making any claim that Mr. Hodge was asking for a commission?

Mr. HINES. On the contrary, I consider Mr. Hodge in no shape, form, or manner was a party to any commission.

Senator HARDWICK. Something was said about Hodge claiming a commission, but that was not this commission. The commission referred to in Hodge's case was some previous arrangement.

Mr. ADCOCK. Mr. Hodge had the exclusive right to sell this property, which had been listed with him?

Mr. HINES. That is pretty near a year prior to that time, and he was to receive a compensation of \$50,000.

Mr. ADCOCK. He was to receive a compensation?

Mr. HINES. Yes; he had it listed, and everything was agreed.

Senator BECKHAM. Did you have any knowledge of the negotiations with Mr. Trainer and Mr. Clark?

Mr. HINES. I had never met those men at all until I met them here, except that I saw Trainer in a restaurant in Washington.

Senator BECKHAM. You never had any negotiations with them, directly or indirectly?

Mr. HINES. Never a thing, by writing, or in any way, prior to that time. Nor was the property for sale by any real estate firm except the firm of Hodge & Shannon.

Senator HARDWICK. And Mr. Hodge did not have it after he went into the Government service?

Mr. HINES. No; I met Hodge after he went into the Government service, and he was always very courteous and pleasant with me, but nothing by implication after he went into the service.

Mr. ADCOCK. Do you know why Maj. Stotesbury was not notified in the testimony that Mr. Hodge was present in Newman's office when the commissions were talked about?

Mr. HINES. I have had nothing to do with that.

Mr. ADCOCK. You had nothing to do with it? You did not advise Gen. Stotesbury that Hodge was present on that occasion?

Mr. HINES. My testimony speaks for itself.

Mr. ADCOCK. When did you meet Gen. Stotesbury?

Mr. HINES. The second day following my request for an investigation at Secretary Baker's office. I went to Gen. Chamberlain's office, and he sent me over to Gen. Stotesbury. I had never met the gentleman before or even heard his name.

Mr. ADCOCK. Where did you meet him?

Mr. HINES. In the office in the Mills Building.

Mr. ADCOCK. Where did he take your testimony?

Mr. HINES. He took my testimony in his office in the Mills Building.

Mr. ADCOCK. Where did he take Mr. Newman's testimony?

Mr. HINES. Maybe I can remember that. I do not know. I could not say positively where he did take it.

Mr. ADCOCK. Did you accompany Gen. Stotesbury to Chicago?

Mr. HINES. Yes; went on the same train.

Mr. ADCOCK. What time did you arrive in Chicago?

Mr. HINES. We left here on the 12.30 B. & O. train, if I recollect, and arrived next morning.

Mr. ADCOCK. The 12.30 B. & O. train on what day?

Mr. HINES. I think my secretary can tell the exact date. Do you remember the day we left here, Mr. Nelson?

Mr. NELSON. I have not got it right now.

Mr. HINES. We can give you the exact date.

Mr. ADCOCK. You arrived there before the 2d of November?

Mr. HINES. I can give you the exact date in a minute.

Mr. ADCOCK. Do you remember whether you were with Gen. Stotesbury on the evening of the premature peace celebration?

Mr. HINES. Yes; I remember it distinctly, on that account. That was the date. I remember it distinctly.

Senator HARDWICK. That was the date?

Mr. HINES. It was rather an unusual time in Chicago, and I remember distinctly seeing Mr. Stotesbury.

Mr. ADCOCK. Where were you in the evening of that day?

Mr. HINES. In the evening?

Mr. ADCOCK. Yes.

Mr. HINES. Oh, he called me on the telephone about 5 o'clock, I judge, along very late in the afternoon, and told me to come to his room in the Blackstone Hotel, and I went there as quickly as I could get there. It took me pretty near an hour to get there on account of the streets being blocked.

Mr. ADCOCK. Did you have dinner with him?

Mr. HINES. No, sir.

Mr. ADCOCK. Did he have dinner with you at any time while he was in Chicago?

Mr. HINES. No, sir.

Mr. ADCOCK. Did you not give a dinner to Maj. Stotesbury at which Mr. ——— and Mr. Poronto were present?

Mr. HINES. No, sir; I did not.

Mr. ADCOCK. Did you ever invite him to your house?

Mr. HINES. Sir?

Mr. ADCOCK. Did he ever come to your house?

Mr. HINES. No, sir; during that period?

Mr. ADCOCK. Yes.

Mr. HINES. No, sir.

Mr. ADCOCK. You never met him before this time?

Mr. HINES. No, sir. I would like, as a matter of delicacy, if there is any question on that matter, to bring it right out. I would not want any reflection to be cast on a man occupying his position. If there is anything of account there I think it ought to be brought right out.

Senator HARDWICK. I think you have pretty well disposed of that question.

Mr. ADCOCK. Did you ever have a conversation with Maj. Magnusson in January of that year?

Mr. HINES. I never met the gentleman. I talked with him on the telephone.

Mr. ADCOCK. What was the subject matter of that conversation?

Mr. HINES. I called him up in Chicago; I think at the Chicago Athletic Club.

Mr. ADCOCK. What time was that?

Mr. HINES. Sometime in the last 30 or 60 days.

Mr. ADCOCK. What was the conversation? State what he said and what you said.

Mr. HINES. I have forgotten. I asked for some information. Let me see what it was. I have forgotten. It has escaped my memory for the time being *what it was*.

Mr. ADCOCK. You have no recollection of what it was at all?

Mr. HINES. I think, if you can refresh my recollection as to what it was, I might remember. I do not remember. I called him up at the Chicago Athletic Club and asked him to come to my office, and he was just leaving and I had only a few minutes' conversation with him.

Mr. ADCOCK. Did he say that he would come to your office?

Mr. HINES. He said that he was just going to court. He had to go to attend some case in court.

Mr. ADCOCK. Were you present at a conversation at Mr. Hare's office when Mr. Dorr was there, and I think Mr. Erskine, Mr. Newman, Mr. Shank, Mr. O'Brien?

Mr. HINES. Yes, sir.

Mr. ADCOCK. Do you remember Mr. Dorr asking this question, asking Mr. Newman, "Of course you as a lawyer appreciate that the Government could not in any way be bound without the approval of the contract"? This is a conversation of October 4.

Mr. HINES. I remember very distinctly.

Mr. ADCOCK. And Mr. Newman's reply, "Absolutely"?

Mr. HINES. Yes, sir.

Mr. ADCOCK. Mr. Dorr then asked this question:

"You did not give your clients any different advice from that?"

Do you remember that that question was asked?

Mr. HINES. The other two questions I remember very distinctly.

Mr. ADCOCK. Yes. Do you remember whether Mr. Newman's reply to the question just asked was as follows:

"None whatever. I knew the Government had to act by statute."

Then do you remember that Mr. Hare asked this question:

"You understood there was nothing any officer could do to bind them?"

And that Mr. Newman replied as follows:

"Absolutely nothing. All employees had to act according to the statute, and nothing else."

Do you remember that conversation taking place?

Mr. HINES. I remember the first two questions distinctly and I have no doubt about the balance; but I want to qualify that by saying that at the time this contract was made nothing came up in regard to the legal technicalities, as to the law, or the contract; so that there was no occasion for that language to be used.

Mr. ADCOCK. So that you would say that the language was not used at all, would you?

Mr. HINES. No; at this interview?

Mr. ADCOCK. Yes.

Mr. HINES. I think it was used; but I say at the time the contract was signed no such occasion came up for that discussion. Therefore we had no occasion to ask Mr. Newman on the legal technicality of who should sign the contract.

Mr. ADCOCK. When you say it was signed, you mean signed by Mr. Shank, do you not?

Mr. HINES. Yes, sir.

Mr. ADCOCK. And not by the Government. You did not understand that this had been signed by the Government, to bind the Government in any way?

Mr. HINES. No, sir. I understood that it had been approved by the Government, and that the official signature was just a matter of form.

Mr. ADCOCK. You took a great deal of interest in this proposition of the Government having a hospital at Fort Sheridan, did you not—in the construction and the manner in which it was being built?

Mr. HINES. Yes.

Mr. ADCOCK. That is, against it? You did not feel that they ought to do it?

Mr. HINES. From what period do you refer to?

Mr. ADCOCK. Recently.

Mr. HINES. I used every effort that time and money could devise.

Mr. ADCOCK. You advertised in the Chicago newspapers in the effort to stop the project?

Mr. HINES. I took a page advertisement in every Chicago paper, and endeavored to place before the public the facts. I felt it my duty to do that.

Mr. ADCOCK. And you sent this same advertisement to almost everybody in Chicago by mail, did you not?

Mr. HINES. If anybody escaped, it was an accident. [Laughter.]

Mr. ADCOCK. Is that advertisement going in the record?

Senator HARDWICK. You can put it in if you want to.

Mr. HINES. If I have accomplished what I hoped to accomplish, I think I have accomplished a wonderful thing.

Mr. ADCOCK. There were some ladies came down to Washington recently?

Mr. HINES. I have understood from the papers that there were.

Mr. ADCOCK. Were you directly or indirectly providing for their expenses down here?

Mr. HINES. I did not.

Mr. ADCOCK. Not indirectly?

Mr. HINES. No, sir.

Mr. ADCOCK. Or directly?

Mr. HINES. No, sir; nor have I ever met any of them.

Mr. ADCOCK. They took it up entirely on their own initiative?

Mr. HINES. I understood they took it up—

Senator HARDWICK. I have another telegram from that organization, and I will bring it up here, about this Fort Sheridan business?

Mr. HINES. I understood these ladies took that up on account of the advertisement, and in their anxiety to provide for the boys, for our returned heroes.

Mr. ADCOCK. So that the advertisement has accomplished its purpose?

Mr. HINES. It has not accomplished all I hoped that it would accomplish, but it has accomplished something, and I want to state here that one of the many reasons that influenced my putting this advertisement in the papers was that some of the Chicago press was not stating the facts, and were misstating the facts, and by innuendo and by poison were misleading the people, and I felt it my duty to carefully prepare a statement of the facts, which I was responsible for, and publish that in every paper.

Mr. BENNET. You signed it, did you not?

Mr. HINES. Yes.

Mr. BENNET. It was a paid ad?

Mr. HINES. It was a paid ad.

Senator HARDWICK. I understand you want that to go in in response to the question?

Mr. HINES. Yes.

Senator HARDWICK. Give it to the reporter and it will be inserted in the record.

(The newspaper advertisement referred to is here printed in full in the record as follows:)

[Chicago Herald and Examiner, Tuesday, Dec. 24, 1918.]

#### FACTS ABOUT THE SPEEDWAY WAR HOSPITAL.

EDWARD HINES OFFERS TO CONSTRUCT A MODERN FIREPROOF HOSPITAL AT LESS THAN COST AND, WHEN NO LONGER REQUIRED FOR SOLDIERS, TO PAY THE GOVERNMENT \$1,300,000 FOR THE HOSPITAL AND PRESENT IT TO THE CITY OF CHICAGO AS A MEMORIAL TO HIS SON, LIEUT. EDWARD HINES, JR., WHO, AS A SOLDIER OF THE LINE, DIED IN FRANCE.

Statement by Edward Hines:

CHICAGO, December 23, 1918.

To the public:

So many erroneous statements have been made concerning the so-called Maywood, or Speedway, hospital that I feel it is my duty to the public to present the plain facts as they are shown to exist by the records at Washington.

This is vastly more than a private problem; it is a public problem. My interest is inconsequential as compared to the care and proper protection of our wounded and sick war heroes. And there is involved a large money consideration. The waste of millions of dollars of public funds is threatened.

#### HOSPITAL GIFT FOR CHICAGO.

In brief, the Speedway war hospital means this:

A \$3,250,000 fireproof hospital, "the last word in hospital construction," ideally located within cheap and speedy reach of the heart of Chicago. When the war needs are ended, I have offered to pay the Government \$1,300,000 for the hospital and make a clear gift of it to the city of Chicago. It is my desire, in this manner, to create a memorial to my son, Lieut. Edward Hines, Jr., who, as a soldier of the line, died in France, June 4 last.

#### THE DANGER AT FORT SHERIDAN.

In contrast to the Speedway proposition is the Fort Sheridan hospital project. The latter means this:

The expenditure by the Government of \$4,000,000 for temporary, light frame hospital buildings which deservedly have been denounced as fire traps and a menace to the lives of our soldiers. The Chicago Association of Commerce, the Illinois Manufacturers' Association, and the Chicago Woman's Club are among civic organizations which have protested to Washington against the dangerous construction of these buildings. Building Commissioner Charles Bostrom, City Architect Charles Kallal, and other experts have, in writing, exposed the hazard of these wooden structures. There will be not a cent of salvage in these buildings. The Government has announced its intention of wrecking them when it is through. Not a cent will be saved to the taxpayers. And the cost per bed will be \$1,000 as against a cost of \$600 in the case of the Speedway fireproof hospital.

Following is the history of the Speedway hospital:

Last summer the project was presented directly to Secretary of War Baker, and in this connection he was informed of my desire for a hospital memorial for my son. He was favorably impressed, and so stated.

He instructed Dr. Keppel, his third assistant, to ascertain the views of the Surgeon General's Office. Dr. Keppel took up the matter with Gen. Noble, assistant to Gen. Gorgas, Surgeon General, United States Army.

Gen. Gorgas, Gen. Noble, Col. (Dr.) Frank Billings, and others investigated and approved.

The Surgeon General's Office, in writing, then gave its approval.

#### APPROVED BY FIVE DEPARTMENTS.

In the month of August the following departments, in writing, gave their official approval of the project: The Surgeon General's office, by Gen. Noble; the Construction Department, by Gen. Marshall; the Procurement Division, by Gen. Johnson; the War Industries Board, by Bernard Baruch; the General Staff, by Gen. Jervay.

Plans and specifications were prepared by the Government; a written contract was drafted by the attorneys of the Government.

All the plans and specifications were approved in writing upon their face by Col. C. C. Wright, acting for Gen. Marshall, Chief of the Construction Division.

On August 30 the Shank Co., which was in Washington working on the plans in conjunction with the Federal Construction Department, was instructed by Col. Wright to sign the hospital-construction contract, which had been prepared by Government attorneys upon the approval of all the necessary Federal departments.

#### A WAR EMERGENCY.

President George H. Shank, of the Shank Co., was instructed that day to proceed at once to Chicago to start work.

The same day the Government employed the well-known hospital architects, Schmidt, Garden & Martin, of Chicago, to prepare the final working drawings and supervise the work.

The Government architects were instructed to take the same train with the representatives of the Shank Co. to speed the hospital construction.

It was war-emergency work.

Col. C. C. Wright assured the Shank Co. and my counsel that, inasmuch as all the necessary departments had approved the project, the obtaining of the signature of the Secretary of War was a mere matter of form, and I am sure Col. Wright acted in good faith. I relied upon his assurance.

#### AS A THOUSAND OTHER CONTRACTS WERE MADE.

I am reliably informed that the execution of a thousand Government contracts, involving the expenditure of \$1,600,000,000, were started under similar circumstances.

Work on the hospital under direct authority of the Government, and with the approval of the five necessary governmental departments, was started September 3, 1918, with a thousand men, and has continued ever since.

For the first 30 days the Government had two of its own building inspectors on the ground, as well as several of the superintendents of Schmidt, Garden & Martin, the Government architects, who supervised and still supervise the work.

#### ASSISTANT SECRETARY CROWELL IN CHARGE.

While the work was in progress Secretary of War Baker, Gen. Noble, and Col. Billings went to Europe, and the supervision of the hospital came under Acting Secretary of War Benedict Crowell. Some time late in September he advised us that, inasmuch as the draft of the contract had not secured the signature of the Secretary of War, it was not binding on the Government, despite the approval of the several departments.

I then took up the matter with Secretary Crowell. He told me he would have his first assistant, Mr. T. Willing Hare, give the subject immediate consideration.

Mr. Hare advised me that the Surgeon General's office required some buildings in addition to the structures specified in the contract of August 30, 1918.

The Shank Co. was requested to bid on these buildings.

#### OFFERS WORK AT COST.

The Shank Co. offered to construct these additional buildings for \$753,475, or at absolute cost without charging the Government any commission or percentage basis.

In that bid the Shank Co. offered to do all the original work specified in the written contract of August 30, 1918, and the additional building, with other additional work ordered, for a total of \$3,253,475.

Shortly after this bid was submitted I was amazed to receive from Secretary Hare the information that the Government had concluded to abandon the project on the sole ground that Acting Secretary Crowell had decided to build frame hospitals at Fort Sheridan to accommodate 4,000 beds, and had also taken over the new Field Museum, which would provide for about 4,000 additional beds.

#### MUSEUM A MAKESHIFT.

In the lease with the Field Museum trustees the Government is required to pay an annual rental of \$62,500. The Surgeon General's office declares that the Government will need the war hospitals for about eight years. This would require the Government to pay the Field Museum as naked rent \$500,000. In addition to this the Government must expend about \$2,000,000 to prepare the Field Museum for hospital purposes and auxiliary buildings.

The Speedway Hospital was especially designed by the Surgeon General's office and the construction department for the purpose of creating a complete, modern, fireproof reconstruction hospital, while the Field Museum, under the most favorable conditions and with the best architects, must necessarily be, in the words of the War Department itself, "a mere makeshift."

#### WOULD COST \$2,850,000.

When the Government should finish it would be required at its own expense to restore the building to its original condition, and it is safe to say that this would probably cost \$300,000, so that the total cost of the Field Museum for eight years would be at the lowest figure at least \$2,550,000, and when the war needs were ended the hospital part of the Field Museum would be scrapped and the Government would have absolutely nothing for its investment of \$2,850,000.

Moreover, the museum adjoins the Illinois Central Railroad, over whose tracks, we are credibly informed, 1,500 trains and switch engines pass daily. The museum rests under a cloud of smoke, cinders, and gas and lies in a zone of noise and confusion. Patients suffering from shell shock or convalescents of other classes should not be put in any such surroundings. The dirt and noise from the engines would make it impossible to keep the doors or windows of the museum hospital open summer or winter.

#### SOLDIERS ENTITLED TO BEST.

The Field Museum location is inaccessible to street cars, being located over one-third of a mile from the nearest street-car line. The building is admirable for the purpose for which it was built, but it would be abortive to turn a picture gallery into a hospital, especially when there is now at the Speedway Park a modern hospital within 30 days of completion, and the Field Museum could not be made ready for occupancy within three months. There should be no makeshift for the soldiers; they are entitled to be housed in the building constructed solely for hospital purposes, with that one end in view, under plans approved from foundation to roof by the Surgeon General of the United States Army.

The plans and specifications for the Speedway Hospital call for 440,000 square feet of space and the Field Museum has available only 455,000 square feet. The museum is about 600 feet long, something over 300 feet wide, and is so constructed that a considerable part of the gross area can not be utilized for the location of hospital beds, while the Speedway Hospital was so designed that every foot is available for hospital purposes. The Field Museum is so designed that it is impossible for sunlight to reach one-half of the beds. On the other hand, every bed at the Speedway Hospital would have sunlight and air.

#### LESS COST AT SPEEDWAY.

Comparing the floor space available in the Field Museum for bed space and in the Speedway Hospital, the cost per bed in the Speedway Hospital is less than the cost per bed in the Field Museum. The hospital part of the museum would be built wholly of wood—partitions, stairways, floors, etc.—so that the hospital part of the museum could not be characterized as fireproof, while the Speedway Hospital is absolutely fireproof and free from danger.

I note Mr. Chalmers's statement that there is to be a Red Cross unit known as No. 14 in charge of a splendid body of women ready to take charge of the unfortunate boys. All Chicago knows of the magnificent work of these women—their hours have been long, their purses have been open, and to them we are ever grateful, but there is still another unit, possibly unadvertised. It has no number, but it bears the splendid name—The Gold Star Unit. Surely the work of this unit is known. They, too, have given their time, their energy, and their money, but most of all they have given their boys who to-night, on this Christmas Eve, sleep silently in France.

## MRS. HINES'S PART.

This unit is headed by Mrs. Edward Hines. Their work was planned and ready and distance would make no difference, and they are ready and glad to take care of the sons of mothers who are possibly more fortunate than they, and this unit has silently made its plans to carry on the work that their noble sons fought and died for.

Mrs. Hines has encouraged me in the principle I am fighting for, namely, to give to our boys a safe place to convalesce, and she and her unit will take an active interest in doing all that is humanly possible for the comfort of the soldiers.

Immediately upon the return of Secretary of War Baker from Europe, the lease of the Field Museum was canceled by wire.

At the same time Secretary Baker ordered Gen. John L. Chamberlain, Inspector General, United States Army, to make a thorough and complete investigation of the Speedway hospital project. This he did.

## CHAMBERLAIN REPORT COMMENDS SPEEDWAY.

Gen. Chamberlain's report, Secretary Baker himself informed me, includes the following features:

An unqualified recommendation of the Speedway hospital project.

A finding that the hospital was thoroughly fireproof.

That my connection with the Speedway hospital project had been clean, honest, and patriotic throughout.

Secretary Baker courteously informed me that he would write a public letter, setting forth the findings of the Chamberlain report at any time I requested the same.

The report is on file in the office of the Secretary of War. It speaks for itself. In this connection I would mention the fact that at the request of the War Department, Col. Starrett, chairman, and formerly president of the Thompson-Starrett Co., inspected the Speedway hospital.

## COL. STARRETT GIVES INDORSEMENT.

He made a favorable report, fully approving the hospital as to construction, cost, location, and desirability. Within a few days after the Chamberlain report was submitted the armistice was signed.

Secretary of War Baker stated to me that the General Staff had informed him that, in view of the armistice, the Government would need a much less number of beds than had been contemplated originally, and for that reason only the Speedway hospital might not be required; but if not required, proper reparation would be made for all damages.

Secretary Baker said he was waiting for definite data as to casualties—sick and wounded—and the matter stood in abeyance for a time.

## CHICAGO CONGRESSMEN CONDEMN FORT SHERIDAN BUILDINGS.

December 6, 1918, Congressmen Martin B. Madden, James McAndrews, William W. Wilson, Adolph J. Sabath, John W. Rainey, Thomas J. Gallagher, and James R. Mann, all of Chicago, appeared before Secretary Baker and insisted that the War Department cease constructing "the temporary, inflammable frame structures" at Fort Sheridan to house our wounded boys, and urged that the soldiers be placed in safe, fireproof buildings.

In all probability it was this conference with the Secretary of War which resulted in the coming to Chicago last week of the war board of high rank, headed by Gen. Chamberlain, to make a thorough reexamination of the entire hospital situation of Chicago.



This commission has returned to Washington to make its report to Secretary Baker.

#### DESCRIPTION OF SPEEDWAY HOSPITAL.

A few words as to the Maywood hospital for the information of those who may have been deceived by the malicious, misleading attacks made on the project:

It is built of concrete, brick, and steel and provides for from 3,300 to 3,500 beds. The hospital is 2,000 feet long and four stories high. The structure is divided into a series of four units, each unit being a complete hospital in itself, equipped with individual diet kitchens, operating, rest and recreation rooms, solariums and individual elevator systems. It is unique in new type of construction, giving the patients in every room sunlight and air.

#### FORTY ADDITIONAL BUILDINGS.

Forty additional structures surround the main hospital building, consisting of an administration building, kitchen, receiving building, fireproof power house, laundry, connecting corridors, bakery, barracks to provide for 750 enlisted men, doctors' and nurses' quarters, laboratory and mortuary building, garage, commissary storehouse, storehouses, chapel, guardhouses, physical therapy building, shop buildings, school buildings, fire house, waiting rooms, and other accessories, making it in all respects a complete modern hospital.

In the language of the Government officials themselves it is—

"Modern and ideal and the last word in hospital construction."

The site consists of 320 acres, 43 to 46 feet above the level of Lake Michigan, one of the highest points in the county.

#### HEALTH AND BEAUTY.

Three and one-half miles of water mains encircle the grounds, and the pipes may be tapped at any point in the site.

Twenty-two miles of sewers, planned and approved by Graham, Anderson, Probst, and White, architects, drain the grounds.

The hospital is near the beautiful suburbs of Maywood, Riverside, La Grange, Berwyn, Oak Park, and Forest Park, and within a quarter of a mile of the forest preserve outer belt park system.

The Speedway Hospital is located six miles west of the great hospital center on the West Side, which contains the Cook County, Presbyterian, Woman's, Mary Thompson, Eye and Ear, Frances Willard and other hospitals, as well as the great medical and nurses' training schools.

#### THIRTY MINUTES FROM LOOP.

The hospital can be reached in 30 minutes from any point in the Chicago loop district, over any one of four of our boulevards, leading directly to the property.

The president of the surface car lines has, by telegram and letter to Gen. Marshall, stated that his company had all the necessary material on hand to construct and would immediately extend its line, a distance of half a mile, to the hospital itself, without cost to the Government.

The station of the Aurora & Elgin Electric Line, connecting with all elevated roads in Chicago, is located five blocks from the hospital, making a less walking distance from that station to the Speedway Park than from the railroad station at Fort Sheridan to the Fort Sheridan Hospital.

The Metropolitan Elevated Road has secured its right of way to the southeast corner of the Speedway Park, and I am credibly informed the company will extend its lines to the ground at the request of the Government.

#### CONNECTION WITH ALL STEAM RAILROADS.

The Illinois Central Railroad, in connection with the Outer Belt System running around Chicago, will land wounded soldiers (whether in single cars or trainloads) from any port or point within the United States into the hospital itself without change of cars or the use of ambulances. Its tracks run the full length of the hospital.

At the price bid the initial cost to the Government would be \$980 per bed and should the Government accept my offer to salvage the structure for

\$1,300,000 at any time within eight years, the cost of the Maywood Hospital would be reduced to \$600 per bed, as against \$1,000 per bed at Fort Sheridan. Inasmuch as the Government has publicly declared its intention to dismantle and "scrap" all temporary wooden hospitals, like those at Fort Sheridan, every dollar of public money invested in such projects will be lost.

#### \$4,000,000 GOING TO WASTE.

And \$4,000,000 is going into the temporary, wooden, dangerous buildings at Fort Sheridan.

I do not for a moment question that the Government, in preparing its plans for temporary emergency frame hospitals at Fort Sheridan has endeavored to do all in its power to make them safe. But I respectfully submit that no human agency can make such structures even reasonably safe. If a fire ever starts and gets any headway, nothing on earth can save the wounded boys these structures house.

I would not be doing full justice to all if I did not say, before closing, that the Shank Co., my associate, has devoted much time to this project and has tendered the Government its time, services, and equipment without charge and agreed to erect the entire structure without compensation, commission, or profit of any character.

#### COMMENDED TO CONSCIENCE OF CHICAGO'S CITIZENSHIP.

The Maywood Hospital presents an opportunity for Chicago to secure, free of cost, a magnificent, modern hospital, the doors of which would be open to all Chicagoans, regardless of creed or nationality.

My offer to take back this property and pay to the Government \$1,300,000 after the war needs were served was inspired solely by my desire to donate the same to the city of Chicago as a nonsectarian hospital, and at the same time create a memorial to the memory of my son, Lieut. Edward Hines, jr.

This hospital situation is of such large importance to soldiers and civilians alike that I feel called upon to give it the widest publicity.

It concerns the present and the future.

It involves both lives and dollars.

In line with my duty as I see it, I respectfully submit the foregoing to the grave thought and consideration of the people of Chicago and Illinois.

EDWARD HINES.

#### MANUFACTURERS' MESSAGE OF PROTEST.

President William Butterworth and six directors of the Illinois Manufacturers' Association October 26 united in the following telegram to the Secretary of War and the Surgeon General:

"In the construction of the buildings at Fort Sheridan for hospital purposes it has been brought to the attention of the directors of the Illinois Manufacturers' Association that the materials being used are not fireproof, but are highly inflammable. We take a deep interest in this hospital because it is within our jurisdiction, and we strongly emphasize the danger that will follow in placing patients—many of whom will not have the use of their limbs—in such jeopardy. We respectfully urge that you give this matter prompt consideration and thorough investigation with a view of changing the construction so as to make the buildings fireproof."

#### PLEA OF WOMEN FOR PROTECTION.

The following is the copy of a Western Union telegram, dated Chicago, December 18, addressed to the War Department, the two Illinois Senators, and six Chicago Congressmen:

"The board of managers, Chicago Woman's Club, asks you to give to the helpless wounded at Fort Sheridan at least the same protection against fire in hospital as city demands for its sick.

"Upon report of our investigating committee, we protest against lack of fireproof construction of hospital building there.

"MINNA FERRELL JOHNSON,  
"President."

## CHICAGO ASSOCIATION OF COMMERCE PROTEST.

Whereas it is reported that the Government of the United States proposes to convert Fort Sheridan, Ill., into a reconstruction hospital for wounded soldiers; and,

Whereas it is reported in furtherance of this plan wooden buildings are to be constructed for use for hospital wards;

Therefore be it resolved, that the Chicago Association of Commerce respectfully protest against the construction of such temporary hospital buildings, or any part thereof, out of anything but fireproof material, and that its protest be communicated to the Secretary of War and the Surgeon General of the Army, with the request that the plans already made be so changed or modified as to provide fireproof buildings in order that the possibility of a great calamity endangering the lives of wounded men may be obviated.

EXECUTIVE COMMITTEE OF THE

CHICAGO ASSOCIATION OF COMMERCE.

By LOUIS W. TEETER.

Mr. ADCOCK. Did you do anything to get this commission, consisting of Col. Northington, Mr. Trainer, and Mr. Schmidt, recalled?

Mr. HINES. Recalled?

Mr. ADCOCK. Recalled from their duties in the West?

Mr. HINES. No; no; unless it was to place before Secretary Baker in as strong and intelligent way as I could the crime that would be committed to take over the Field Museum, which had been taken over, if that is what you might infer.

Mr. ADCOCK. You considered that a crime?

Mr. HINES. I considered it a crime, in the face of a modern, up-to-date hospital available, and that could be completed several months prior to the possible completion of the Field Museum.

Mr. ADCOCK. What fireproof hospital in France did you succeed in getting for use?

Mr. HINES. At Chaumont.

Mr. ADCOCK. I think that is all.

Senator HARDWICK. Is there anything else, Mr. Bennet?

Mr. BENNET. No, sir.

Senator HARDWICK. Is there anything else, Mr. Hines?

Mr. HINES. I think that is all.

Senator HARDWICK. Does any member of the committee want to supplement this examination? If not, the committee will excuse you, with thanks for your attendance, Mr. Hines. It is 4 o'clock. Is there anything else to-day?

Col. WRIGHT. I have some things here that Mr. Bennet wanted. Here is the disapproval of the Secretary of War [presenting document].

Senator HARDWICK. Do you not think that you would make time by looking over these documents during the recess?

Mr. ADCOCK. I wanted to ask this, if I could have a copy of the Stotesbury report?

Senator HARDWICK. Yes; I think you made several copies, did you not, Colonel?

Col. WRIGHT. Yes, sir; there are several copies being made.

(Thereupon, at 5.30 o'clock p. m., the subcommittee adjourned until to-morrow, Friday, January 31, 1919, at 10.30 o'clock a. m.)

## MILITARY HOSPITALS.

FRIDAY, JANUARY 31, 1919.

UNITED STATES SENATE,  
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS,  
*Washington, D. C.*

The subcommittee met pursuant to adjournment in the committee room in the Capitol at 10.30 o'clock a. m., Senator Thomas W. Hardwick, presiding.

Present: Senators France, Beckham, and Lenroot.

### TESTIMONY OF MRS. BENEDICT CROWELL, ASSISTANT SECRETARY OF WAR.

(The witness was not sworn.)

Senator FRANCE (acting chairman). Mr. Secretary, we are investigating for the moment the question of this so-called Speedway Hospital. You are perhaps aware of the charges which have been made in connection with this undertaking, and perhaps you would wish to make a statement with reference to the matter.

Mr. CROWELL. I have no statement that I wish to make. I came to answer any questions you might ask me.

Senator LENROOT. I suggest that the Secretary start in with the latest information he had about the Speedway Hospital, begin there, and tell what he knows about it.

Mr. CROWELL. Yes. Do you wish me to tell you what I know of from my own knowledge?

Senator LENROOT. Yes.

Mr. CROWELL. And not hearsay?

Senator LENROOT. Yes.

Senator FRANCE. Tell us how the matter first came to your attention.

Mr. CROWELL. The first mention I ever heard of it was in the middle of September. Do you want me to give you all these exact dates by referring to papers?

Senator LENROOT. Not unless counsel desire it.

Mr. BENNET. Oh, no.

Mr. CROWELL. About the middle of September, I should say, Mr. Harbord, the chairman of the War Industries Board, called me on the telephone and asked if the proposition to approve the hospital was in my office. I told him it had not been received. He then said that he wished I would hold it up, because, while it had just passed the War Industries Board under—I think he said—under protest, he wished to see me before I took action on it. That same day, I think, the papers were brought in for my approval. The date, I

think, was about September 18. I think I saw Mr. Baruch the following day, and he asked me what I knew about it. I told him I knew nothing. He then said: "I think it ought to be carefully investigated." I told him that that would be done, and I placed the thing in the hands of Mr. Hare, whom I directed to make a careful examination and to report to me as soon as the examination had been made.

We sent Col. Starrett immediately to Chicago to investigate this proposal, and also a proposal for the hospital at Fort Sheridan, and I think he also investigated another proposal or two in other locations. Whether one of them was the museum I do not recall. There were two other propositions in parks in Chicago. During the following week Mr. Hare investigated this and reported finally to me. When he made his report the cost of the Speedway Hospital—

Senator LENROOT. Was that a formal, written report, Mr. Secretary?

Mr. CROWELL. No; this is all verbal, but is, I think, all supported by memoranda, which it was our custom in my office to place in the files at the time these reports were made.

The cost of the Speedway Hospital at this time was something like \$1,300 per bed. The cost of the hospital at Fort Sheridan was some \$700 per bed. They had both, as I say, been submitted in the usual form and approved by those below me. I approved at that time the Fort Sheridan Hospital project, which has since been gone ahead with. The exact figures are Speedway Hospital, \$1,364 per bed; Fort Sheridan Hospital, \$700 per bed.

Senator LENROOT. And about what was the date when this was done, when this action was taken?

Mr. CROWELL. About a week or 10 days after the thing was first brought to my attention. I should say September 25, possibly. These dates I can verify later.

Senator LENROOT. You had nothing before you as to the offer of Mr. Hines for salvage of this Speedway Hospital?

Mr. CROWELL. No; the Speedway project was then disapproved, and Mr. Hare then told me that Mr. Hines wished to make a second proposal, which we authorized him to do. The second proposal made the cost of the hospital \$1,304 per bed without including a repurchase clause, which was either then or shortly afterwards submitted. This repurchase clause brought the cost, allowing for the repurchase at 100 per cent, to \$782.90.

Senator FRANCE. What do you mean, Mr. Secretary, by "repurchase at 100 per cent"? Do you mean paying the full value as shown by the cost?

Mr. CROWELL. Yes. The repurchase money was to be deposited, as I understood it, in bonds or in securities. It was to be secured to us. It called for a payment of a sum of money, I think, about \$1,200,000 in five years; and allowing the full value of that, I meant, when I said 100 per cent.

Senator FRANCE. That makes it clear. He was to pay 40 per cent of the cost, was he not?

Mr. BENNET. Forty per cent of the entire cost.

Mr. CROWELL. I think you figured it was about \$1,200,000.

Mr. BENNET. \$1,296,211.

Senator FRANCE. Allowing for that, it reduced the cost to how much per bed?

Mr. CROWELL. \$782.90.

Senator FRANCE. Allowing for how many beds was that, do you know?

Mr. CROWELL. I think 2,500 beds. Where is Mr. Hare?

Mr. HARE. That is correct—2,500.

Mr. CROWELL. Of course, the repurchase should not be figured at 100 per cent, as a matter of fact, but it was done. The present value of \$1,000,000 payable in five years, of course we all know, is not \$1,000,000, and I presume that an actuary would bring it down to perhaps \$750,000; but we allowed for the full value.

The next step, as I recall it, was the consideration of the Field Columbian Museum project, which had finally, I believe, been authorized by the trustees. This project figured, for 4,000 beds, \$1,750,000, a price of \$437.50 per bed. We first were asked to furnish 10,000 beds in the Chicago district. This was later reduced to 8,500; and at the time I acted on the Field Museum and approved it, we had supplied 600 beds in the Cooper-Monotah Hotel and 5,000 beds at Fort Sheridan, leaving, therefore, 4,400 beds which were wanted on the 10,000-bed proposition, or less on the 8,500-bed proposition.

The Field Museum project was approved for this reason—that it gave us a perfectly flexible hospital. We could put in 1,000 beds, 2,000, 3,000 or 4,000, and it seemed to fill the bill better than any fixed project, and it completed the Chicago hospital project; and at that time was then compared with the Speedway project, and the difference in cost between \$782.90 and \$437.50 per bed made me decide in favor of the Field Columbian Museum; and the contract was, I believe, then entered into with the Field Columbian Museum.

That completed our demand for beds in the Chicago district.

Senator LENROOT. At the time, Mr. Secretary, that this new proposition was made bringing down the cost to \$780 per bed for the Speedway project, how far had the Fort Sheridan project progressed?

Mr. CROWELL. Very little.

Senator LENROOT. Did you consider the advisability from the Government standpoint of accepting the Speedway project and canceling the Fort Sheridan project?

Mr. CROWELL. Oh, yes.

Senator LENROOT. And what conclusion did you come to as to the Fort Sheridan project being a more desirable project?

Mr. CROWELL. We concluded to continue it.

Senator LENROOT. Based upon what, I mean? The cost was very nearly the same, was it not?

Mr. CROWELL. No, Senator. There was considerable difference. There is a difference between \$700 per bed and \$782.90 per bed in the figures; but, as I have just explained, I do not think a proposition to return a sum of money in five years should be figured at par. An actuary would, I think, figure it on about a 5 per cent basis, which would bring it down under \$800,000, we will say, for a million. I should add a couple of hundred thousand dollars to the cost of the Speedway proposition to the Government on that account. Secondly, it was brought out at that time that there were no Government carrying charges included, and our department had estimated

that about \$100,000 should be added; so while the figures that Mr. Hare and his assistants put in my hands showed the figures I have given, in my opinion the actual cost of the hospital would have been greater.

There was one other item, too, that had not been allowed for, and that is the well-known item of extras in contracts. There had been no allowance made in the Speedway figures for those; so that I had mentally, when I acted on the Speedway project, allowed for those three items.

Senator LENROOT. Would not the same be true of Fort Sheridan?

Mr. CROWELL. No; it would not be true. They are all covered in the Fort Sheridan project.

Senator LENROOT. They were all covered in the Fort Sheridan project?

Mr. CROWELL. Yes, sir. You see, there was no repurchase clause to consider in the Fort Sheridan project; secondly, a blanket allowance is always made by our construction department for extras; and the third point was the carrying charges for the Government.

Senator LENROOT. By that you mean the overhead expense that was going on at Fort Sheridan anyway, a certain degree of it? Is that what you mean by the carrying charge?

Mr. CROWELL. Yes.

Senator LENROOT. That there would be that much additional expense for the Speedway?

Mr. CROWELL. Yes.

Senator FRANCE. Now let us go back, as bearing right upon this question which we are now discussing, to September 25 or thereabout. At that time the Fort Sheridan Hospital had not been begun, practically. Taking into consideration the offer of Mr. Hines to buy back the lumber which he had sold to the Government, we may say that nothing had been done at Fort Sheridan. Is that fair to assume—that practically nothing had been done?

Mr. CROWELL. I think so; yes.

Senator FRANCE. On the other hand, between the dates of September 1 and September 25 the Speedway Hospital had been put under way, and was possibly 25 to 30 per cent completed. I assume that, because it was to have been completed in about 100 days: was it not?

Mr. BENNET. I think your figures are a trifle too kind to us, Senator.

Senator FRANCE. I merely hazard a guess.

Mr. BENNET (to Mr. Shank). On the 26th of September, how much of the Speedway Hospital was done?

Mr. SHANK. The foundation was in, and, as I remember, about a story high.

Mr. BENNET. You are right.

Senator FRANCE. Were substantial materials assembled on the ground?

Mr. SHANK. Yes, sir.

Senator FRANCE. As a builder, Mr. Shank, what proportion of the hospital was completed at that time?

Mr. SHANK. That would be pretty hard to tell. The materials for the construction of the building—not the inside fittings—were mostly on the ground. None of the plumbing or heating or anything of that kind was in.

r FRANCE. The percentage is not material. The fact of the

ANK. I should think 33½ per cent.

r FRANCE. The fact of the matter is that one hospital was under way, and the other had not been begun. Is not that substantially the situation?

OWELL. What date is this you are speaking of? Let me see: the Sheridan project had been approved about a week. No; it would have been done at Fort Sheridan.

r FRANCE. The latter part of September?

OWELL. Yes; nothing was done at Fort Sheridan. That is

r FRANCE. Now, Mr. Secretary, you were apparently figuratively closely upon the cost of these various projects. You had had connection with the War Department. When did you enter the Department?

OWELL. I officially entered the War Department the 1st of July, 17, when I received a commission in the Ordnance Depart-

r FRANCE. So that you were there practically during the war, up until that time?

OWELL. Oh, yes.

r FRANCE. You were aware of the fact that many informal orders had to be entered into between the Government and contractors because of the necessity for speed; were you not?

OWELL. Yes, sir.

r FRANCE. Were you aware of the fact that many contracts were entered into, the contractors accepting orders in good faith, as a result of telephone conversations?

OWELL. No; no.

r FRANCE. To your knowledge, no man ever began any work for the Government as a result of a telephone order?

OWELL. No, Senator; I did not say that. I said I did not know of any that were ordered in that way. It is quite likely that many have been.

r FRANCE. Well, Mr. Secretary, I think the evidence is conclusive here that many contracts were entered into most informally, even as a result of telephone conversations, later confirmed.

OWELL. But you asked me if I knew of any, and I had to say I did not.

r FRANCE. Would your experience lead you to believe that many contracts were not entered into?

OWELL. No; I think they were, probably.

r FRANCE. Then I will ask you another question. Was it the policy of the Secretary's office to investigate fully every project, or was your practice to rely upon the findings of the various divisions of the Army, such as the Surgeon General's office, the Construction Division, and such other divisions as made the detailed examination, the result of which recommendations were sent to you? Was it the policy, in other words, to investigate, or to rely upon the findings of the divisions?

OWELL. When I first became Assistant Secretary in November, 17, for a short time I relied on the figures of the departments.



I soon found that there were certain cases where I could not rely on them. For instance, it is a well-known fact that a good medical man is not a good business man; and I very quickly formed an organization of my own, and after that I always fully investigated every project that came in.

Senator LENROOT. Through this organization you formed?

Mr. CROWELL. Yes.

Senator FRANCE. But, generally speaking, it was necessary for you to very largely rely upon the findings of the Construction Division?

Mr. CROWELL. I relied on my own department more than I did on the Construction Division, except for figures of cost. All estimates were made by the Construction Division. For anything to do with construction we relied on them, of course, wholly; but for general policies or opinions we did not rely on them at all.

Senator FRANCE. That is somewhat immaterial so far as the question which I have in mind is concerned. I mean this question: You were aware that it was necessary to conduct the business of the Government in such a way during that period of stress as to give us speed even at the expense of sacrificing certain legal formalities?

Mr. CROWELL. Very true.

Senator FRANCE. In figuring the costs of these various hospitals, did you figure that possibly, in view of the informality of many contracts, the Government might be bound by this contract, which was all but formally ratified by the Secretary of War; or had you not at that time examined into the question as to whether a contractor might be able, in view of the general informality of the contracts which were being made, to bind the Government or hold the Government?

Mr. CROWELL. I am very glad you called my attention to that, because I neglected to state that one of the first things that was called to my attention was the possible moral obligation of the Government in this particular case of the Speedway; and I instructed Mr. Hare especially to examine and report as to whether the Government had any moral obligation. He reported that there was not the slightest moral obligation; that the Speedway company had gone ahead with the full knowledge that they were doing it on their own responsibility, and that they had no Government official sanction.

Senator FRANCE. You relied entirely on Mr. Hare in that matter?

Mr. CROWELL. Mr. Hare was the head of the organization that did the work; yes.

Senator FRANCE. Is he an attorney, a lawyer?

Mr. CROWELL. No.

Senator FRANCE. Had he practiced law prior to entering the department?

Mr. CROWELL. I do not know, sir.

Senator FRANCE. You do not know whether he was a lawyer or not?

Mr. CROWELL. He is here. You can ask him.

Mr. HARE. I was not; no, sir. I am not.

Senator FRANCE. Of course, Mr. Secretary, you know that one of the most difficult branches of law is that which deals with the subject of contracts. You are aware of the fact that even in times of peace there are various ways in which contracts may be entered into; and yet you relied upon Mr. Hare's judgment absolutely in passing upon that question?

Mr. CROWELL. Mr. Senator, I have been a contractor, building buildings similar to this, for 15 years. I was in that business when I gave it up to come to the War Department, and my experience with lawyers has been very disastrous. I keep them away whenever I can. [Laughter.]

Senator FRANCE. Not being a lawyer—

Senator LENROOT. The Senator is not a lawyer, so that is all right.

Mr. CROWELL. I was afraid he was.

Mr. BENNET. However, the Senator is a doctor.

Mr. CROWELL. I do not apply that statement to doctors, because we all need them.

Senator FRANCE. But, as a matter of fact, you relied on Mr. Hare for the decision of that question?

Mr. CROWELL. Yes; I relied on him very largely.

Senator FRANCE. But as a result of your conversation with him, after he had looked into the matter, you felt sure that the Government could not be bound, either morally or legally, by the contract or any possible contract which might have been entered into as a result of conversations between the Construction Division and the builders?

Mr. CROWELL. Yes. I am very certain of it to-day.

Senator FRANCE. So that you did not take into consideration, in figuring the cost of these various enterprises, that there might possibly exist a liability on the part of the Government to the builders of the Speedway project?

Mr. CROWELL. Yes; but I realized that if the liability was there, it was very small, indeed, because on September 11 our Construction Division wired to the Shank Co., "This office has ordered no construction work in connection with hospital at Chicago," so that the only liability that existed would have been previous to that date. I am satisfied, however, that there was none previous to that date, and so acted.

Senator FRANCE. Had you any knowledge that Secretary Baker knew of the Speedway project?

Mr. CROWELL. None of my own. I never talked to him about it. In fact, he was in Europe at this time.

Senator FRANCE. You were not aware that the matter had ever been brought to his attention in any way?

Mr. CROWELL. Not of my own knowledge; but I understood from the reports I got at that time, when Mr. Hare investigated it, that he had been approached, and had referred the matter to Dr. Keppel as being in his department; and the secretary told me afterwards, when he got back, the substance of his conversation.

Senator FRANCE. Do you know what connection Col. Hornsby had with this project?

Mr. CROWELL. In a general way, I had no dealings with him—Col. Hornsby, you say?

Senator FRANCE. Yes.

Mr. CROWELL. I had no dealings with him. Col. Hornsby, as I understood, was detailed to the Secretary of War's office, and was acting specially for him.

Senator FRANCE. Did you see a letter written by him with reference to this project?

Mr. CROWELL. I think not, although it is possible. I have seen a great deal with reference to it. I do not recall it. The only time that I ever saw Col. Hornsby was one day when I was walking into the secretary's office; he was standing there, and stopped me, and he said, "I understand that you disapproved the Speedway Hospital?" I said, "Yes," and it flashed across me who he was. I had not met him very often before that. He then said, "Well, you did the right thing." That was all I knew about his opinions. I had never asked him for any.

Senator FRANCE. In view of the penalty clause in the contract, and in view of the conversation which had passed between the members of the Construction Division and the contractors, if you knew of that conversation—even in view of the contract, even in view of the fact that speed was the essence of the whole matter—you considered that that telegram of September 11 was sufficient to cancel any contract which might have been entered into or which might have been understood by contractors as having been entered into by him?

Mr. CROWELL. I never understood that he considered that he had a contract until some time later, when he made that claim. All my records go to show that he and everybody connected with it were warned repeatedly that they had no contract, and that the final act must be the signature of this contract; and, I think, that is clearly shown, although I can not give it of my own knowledge. Other witnesses, I think, can establish that.

Senator FRANCE. Mr. Secretary, you are a well-known engineer and builder. Would you not consider it very strange for a man to begin rush work to carry out a contract which carried a heavy penalty clause and to undertake a large enterprise involving great expenditures, unless he felt in some way that he had a contract which would insure his reimbursement?

Mr. CROWELL. Speaking from my experience as a contractor, it would all depend upon whom I was dealing with. Dealing with the Government, I should consider it very strange. Dealing with you or any individual or corporation, I have done it repeatedly. Nothing could induce me to do that thing in dealing with the Government.

Senator FRANCE. If that same contractor, however, had begun operations on buildings for the Government under similar penalty clauses with the assurance that haste—speed—was the essence of the whole matter, would that be a mitigating circumstance in his favor?

Mr. CROWELL. I think so, provided that he had not been told that the signatures to the contract were necessary, and had not been warned. If, however, he had been warned at the time he went ahead with this thing that he had no rights, that the Government was not obligated, I think he would not be justified in going ahead, and I can not see any moral responsibility on the part of the Government. I want to say that I looked very carefully into this question of moral responsibility, because we do feel it down there, and I do not want to see anybody spend money and not be repaid by the Government if it is properly spent.

Senator FRANCE. Now, Mr. Secretary, I merely wish to sum up this whole thing by asking this question:

We understand that informal contracts were being entered into that at this time haste was the essence of the whole matter.

Mr. CROWELL. That is right.

Senator FRANCE. That architects employed by the Government had drawn these plans in the Government offices; that the Construction Division, the Surgeon General, and various other divisions of the Army had approved them, and that the contractor was dispatched in haste to Chicago with the understanding that he should begin work and attempt to complete this project in 100 days; and that after the work was all started the final and formal approval was withheld as a result of one single communication from men apparently hostile to the project, which communication stated what was an absolute falsehood with reference to the character of the land upon which this hospital was being constructed, if we may rely upon the evidence which we have ascertained here. Now, is not that a most unusual chain of circumstances?

Mr. CROWELL. Senator, you know so much more than I do, you have so much information now that I did not have, that I think you are much better able to judge than I am. I have given you the reason why I acted.

Senator FRANCE. Are you not familiar with the chain of circumstances I have mentioned?

Mr. CROWELL. Yes; I have a general knowledge of it.

Senator FRANCE. Now, in connection with that, the charge has been made specifically here that a certain gentleman had asked for a commission. Subsequent events show that he had stated that if that commission had been paid him everything would have been different. That is the subject of this inquiry. Can you throw any light upon it?

Mr. ADCOCK. I beg your pardon, Senator—do you state correctly what Mr. Shank said on the stand?

Senator FRANCE. In what respect?

Mr. ADCOCK. As to what Mr. Trainer said at Gerstenberg's restaurant. Is that what you are referring to?

Senator FRANCE. Did you wish to correct my statement? I was merely summarizing. I shall be very glad to modify the question to fit the evidence.

Mr. ADCOCK. As I remember it, there was a very short conversation with Mr. Trainer at Gerstenberg's.

Senator FRANCE. Well, that is immaterial. I am perfectly willing to have that stricken out. Now, the fact of the matter is, the evidence showed that the gentlemen had asked for a commission in connection with putting this project through; and while, of course, we are not passing judgment on the question, it certainly seems that the usual course of doing business was not followed in this instance for some reason.

Mr. CROWELL. Well, of course, it was an unusual proposition, so that it was perfectly true that unusual courses had to be followed.

Senator FRANCE. I think I have nothing further to ask.

Senator LENROOT. Just one or two questions before the counsel begin to examine you.

Yesterday, Mr. Secretary, the Senate passed what is known as the validating contract bill. Is it my understanding that it is your position that if, in any of these cases, the contractor knew that he did not have a valid contract, there was no moral obligation upon the part of the Government to compensate him?

Mr. CROWELL. No; I do not think that is my position.

Senator LENROOT. Assuming, as I think the testimony here is on the part of one witness, that these gentlemen were told that this contract before being valid would have to be executed by the Secretary, but that it had been approved by all of the departments, and the suggestion was made to them that if they wanted to take a chance it would be all right, is there any distinction between that kind of a suggestion and where one in any other kind of a contract has gone on and performed work, knowing that he did not have a valid contract, but believing that it would be approved, so far as the moral obligation of the Government is concerned?

Mr. CROWELL. I believe if there is a moral obligation it should be met—it should be paid.

Senator LENROOT. Do you think there is any distinction between the two cases that I have named to you?

Mr. CROWELL. I am sure there is no moral obligation in this particular case.

Senator LENROOT. My question was: Assuming that an officer of the Government did say to these gentlemen, prior to this telegram which you speak of, or suggest to them, that while they did not have a valid contract, they might take a chance, because in the ordinary course of events this contract would be made valid, and then he expended money upon the strength of that?

Mr. CROWELL. Of course, in this case, besides that, they were specifically warned by more than one officer that they had better not go ahead.

Senator LENROOT. You have given one date, September 11. Had you anything prior to that time?

Mr. CROWELL. As to what?

Senator LENROOT. As to this warning that you now speak of.

Mr. CROWELL. I think I can find it here. This is not a matter which I can testify to of my own knowledge, but will be brought out by Mr. Hare, who has first knowledge of it. If you wish me to do so, I will go into it.

Senator FRANCE. Mr. Secretary, I wish to say for the record that, of course, nothing in my question reflected in any way upon you or upon the Secretary of War so far as that commission was concerned.

Mr. CROWELL. Oh; I do not think it did.

Senator FRANCE. We realize that you can not be responsible for all of the acts of your subordinates, upon whom you must necessarily rely to a very large degree. I wish that to appear in the record, for fear there might be some misunderstanding.

Senator LENROOT. I think I see your position. You are now assuming that there was a warning from the very beginning not to undertake the work?

Mr. CROWELL. Yes; that is my information.

Senator LENROOT. If that should not be so, you would not say there was no moral obligation on the part of the Government?

Mr. CROWELL. No. My opinion is quite open in this thing. I am giving you my reflections at the time from the information I had at the time. If other events prove that my information was wrong, of course, my whole attitude would change.

Senator LENROOT. And your information is that from the very beginning they were warned not to proceed with the work?

Mr. CROWELL. Repeatedly.

Senator LENROOT. Now, I should like to ask you, about when was the Field Museum project approved? I do not care for the exact date.

Mr. CROWELL. I shall have to refer to somebody else for that. It is on record somewhere.

Mr. BENNET. October 24.

Senator LENROOT. And when was it canceled?

Mr. CROWELL. About the time the armistice was signed, I think.

Senator LENTOOT. About November 11.

Senator FRANCE. Were you aware on October 24 that work had still been going on at the Speedway?

Mr. CROWELL. I think so. In a general way I understood that it had been going on right along, up to this minute.

Senator LENROOT. Do you know how far the Fort Sheridan project had proceeded on November 11, approximately?

Mr. CROWELL. No; I do not.

Senator LENROOT. Do you know whether it had made substantial progress?

Mr. CROWELL. I know that we moved patients in there in December; that a portion of it was completed. We now have over 1,000 patients there. The project, of course, is not fully completed. You see, there were two parts of it. One was the remodeling of some brick buildings which stood there, and that was comparatively simple, and we got our patients in there quite early.

Senator LENROOT. As I understand, you approved the Field Museum as against the Speedway solely upon the ground of economy for the Government?

Mr. CROWELL. Yes.

Senator LENROOT. One was \$437 a bed and the other \$780?

Mr. CROWELL. Of course, there were a great many other things considered; but that is in the main true.

Senator LENROOT. Did you consider the cancellation or suspension of the work on the Fort Sheridan project, where it was costing \$728 a bed, upon the same basis?

Mr. CROWELL. No; because we needed the Fort Sheridan project in addition to the museum.

Senator LENROOT. Not at the time of cancellation of the Field Museum?

Mr. CROWELL. No; you are right. I think so. I think the cancellation of the Field Museum was made by the Secretary of War and not by me. I am not sure about that, but that is my recollection now.

Senator LENROOT. And if made by him, it was not upon your recommendation, so that you do not have personal knowledge?

Mr. CROWELL. Yes; I think that was the case. I have to refresh my memory, I find, in a great many of these things, because we have so much of the same thing going through the office.

Senator LENROOT. What consideration did you give to the relative merits of the Fort Sheridan and Speedway projects so far as the safety of patients, etc., was concerned?

Mr. CROWELL. We gave a great deal. The unanimous testimony of the Medical Department, as far as I have ever found, is that they never want us to pay a cent more for so-called permanent or fireproof

buildings than for the buildings which we customarily put up for them, which is a form that is worked out in conjunction with the fire underwriters, and our reports from the fire underwriters are very favorable to the form of construction which was carried out at Fort Sheridan. So that from the two standpoints the matter seemed to be practically negligible.

Senator LENROOT. Do I understand from that that the medical advisers take the position that a fireproof hospital is not to be desired over a wooden hospital?

Mr. CROWELL. Other things being equal, I presume they would desire it, but I will state that they have never urged fireproof construction, and I have repeatedly asked them if there was any particular advantage in it, and they always reported that there was not.

Senator LENROOT. That there was not?

Mr. CROWELL. That there was not.

Senator LENROOT. Can you name any medical officer who gave that kind of advice?

Mr. CROWELL. Yes. The officers that I was dealing with at that time were Gen. Gorgas, though he was away part of the time, and the Acting Surgeon General was Gen. Richards, and since him Gen. Ireland.

Senator LENROOT. Do I understand that Gen. Ireland and Gen. Richards stated to you that the difference between a fireproof hospital and such hospitals as you are were erecting at Fort Sheridan was negligible.

Mr. CROWELL. Yes.

Senator LENROOT. When did you first have any information concerning this charge that has been made against Mr. Trainer?

Mr. CROWELL. It was after the armistice was signed.

Senator LENROOT. What, if any, action did you take with reference to it.

Mr. CROWELL. I took no action beyond—I think my first knowledge of it was that the matter had been referred to the Attorney General, and all I ever remember doing was asking the Secretary of War if that were so. He told me that he had done that himself. That is all my knowledge upon it.

Senator LENROOT. So you went upon the theory that he had taken personal jurisdiction of that subject?

Mr. CROWELL. Yes; I had nothing to do with it.

Senator LENROOT. That is all that I wish to ask.

Senator FRANCE. Mr. Secretary, you read over this contract carefully, did you?

Mr. CROWELL. I presume I did at the time.

Senator FRANCE. Taking into consideration any liability which the Government might have assumed in connection with this project?

Mr. CROWELL. Yes. I presume I did, although I will not be sure.

Senator FRANCE. It states in the contract, which was executed—what was the date of that?

Mr. BENNET. August 31 Mr. Shank signed it.

Senator FRANCE. It says:

For lack of time, said plans and specifications for the construction of the foregoing buildings and structures are not as full and detailed as they ought to be for working plans and specifications, but, notwithstanding this fact, the contracting officer has directed the owner to begin immediately the work of

construction, and, in compliance with such direction, the owner agrees to begin the work of construction immediately under the terms of this contract, without awaiting the final completion of the said plans and specifications; and the contracting officer agrees to employ, at his own expense, an architect skilled in hospital construction to complete said plans and specifications with all reasonable dispatch, and to the satisfaction of the contracting officer.

Then clause 7:

Time shall be considered as of the essence of this contract; and in case of a failure on the part of the owner to complete his work within the time specified herein, it is agreed by the owner that the United States will be damaged by the delay; and the amount of such damages, exclusive of expenses, for inspection and superintendence and necessary traveling expenses, being difficult if not impossible of definite ascertainment and proof, are hereby agreed upon, liquidated, and fixed in advance at the sum of \$500 for each and every first fifteen calendar days which the owner shall delay in the completion of this works—

And so forth. Now, the contractor left Washington after talking with the constructing officer, the evidence very clearly shows, with the thought in mind that he had to begin and hasten this work, and I think the evidence is quite conclusive that he was honestly of that opinion, and that he felt that if he did not do so he might be subjected to penalties; and I think that matter should perhaps have been taken into consideration by you—the matter of this specific language—in determining any possible liability on the part of the Government.

Mr. CROWELL. It was; but there is nothing uncommon in that. I have signed many contracts of the kind, and that language is effective when the contract is signed, and it is intended to be.

Senator LENROOT. The date was left blank in the contract?

Mr. CROWELL. Yes.

Senator FRANCE. That, I think, is technically true. That is all I wish to ask.

Mr. BENNET. Mr. Crowell, you are acquainted with Mr. Albert de Wolf Erskine, are you not?

Mr. CROWELL. Yes.

Mr. BENNET. And you and he were in Yale together?

Mr. CROWELL. Yes.

Mr. BENNET. Have you ever expressed any opinion derogatory to Mr. Erskine in connection with this Speedway project?

Mr. CROWELL. I think not.

Mr. BENNET. I should like to have you search your recollection.

Mr. CROWELL. I have searched it, and can not think of anything.

Mr. BENNET. And so far as you are aware there is nothing which would cause you, as one alumnus of Yale, to criticize Mr. Erskine as another alumnus for what he did in connection with this hospital so far as it has ever come to your knowledge?

Mr. CROWELL. I think I was rather moved the other way by the fact that Mr. Erskine came to see me about it.

Mr. BENNET. Did Mr. Erskine come to see you about it?

Mr. CROWELL. Yes.

Mr. BENNET. When?

Mr. CROWELL. He has been to see me two or three times about it.

Mr. BENNET. Before the 26th of September?

Mr. CROWELL. I do not know.



Mr. BENNET. When you say you were rather moved the other way, I do not quite gather your meaning.

Mr. CROWELL. I mean that there would be the natural feeling that a proposition being brought by a man you knew and had known a long time, I think anybody looks at it more favorably than anything that is brought by a stranger.

Mr. BENNET. I think that is humanly correct. Did Mr. Erskine present this proposition to you in any form, shape, or manner prior to the 18th or the 26th of September?

Mr. CROWELL. I am sorry, but I can not answer that question.

Mr. BENNET. Your memory does not hold any recollection that he came to you prior to this first rejection?

Mr. CROWELL. Yes. I had talked with him prior to the disapproval of the project.

Mr. BENNET. Are you referring now to the disapproval of October 24, or the disapproval of September 27?

Mr. CROWELL. There was only one disapproval—no; there were two disapprovals.

Mr. BENNET. Surely.

Mr. CROWELL. No; I am referring to the first one.

Mr. BENNET. And you rather think that you had a conversation with him prior to that?

Mr. CROWELL. Yes; I know I did.

Mr. BENNET. Did he make any improper suggestion or do anything that you thought was at all improper in connection with the contract or project in that interview?

Mr. CROWELL. No.

Mr. BENNET. And, having searched your recollection, you are prepared to say that you have no criticism to make of Mr. Erskine in connection with the matter?

Mr. CROWELL. I think so.

Mr. BENNET. Did Mr. Hare ever report to you that he had a rather bitter altercation with Mr. Erskine prior to the 26th of September?

Mr. CROWELL. Yes; I think he had many of them.

Mr. BENNET. More than one?

Mr. CROWELL. I think so.

Mr. BENNET. And is it possible that Mr. Hare's judgment may have been affected somewhat by the strained personal relations that he had with Mr. Erskine?

Mr. CROWELL. No; I do not think so.

Mr. BENNET. You are not very familiar with the details of this matter, are you?

Mr. CROWELL. Yes; I think I can say I am familiar with the details.

Mr. BENNET. I gathered from the fact that you had to ask how many beds there were in the Speedway that you possibly were not.

Mr. CROWELL. Well, there are so many of these projects going through the office that I often have to refresh my memory as to figures such as that.

Mr. BENNET. As a hospital proposition, or as a building, have you ever expressed any unfavorable opinion as to the Speedway?

Mr. CROWELL. No.

Mr. BENNET. Have you ever seen the plans, or a picture of it, or anything?

Mr. CROWELL. Mr. Erskine, the day that he first talked to me, showed me a picture of the building.

Mr. BENNET. Do you know Mr. Richard E. Schmidt, of Schmidt, Garden & Martin?

Mr. CROWELL. No.

Mr. BENNET. You never heard of him?

Mr. CROWELL. I have heard of him in connection with this matter.

Mr. BENNET. He is, from what you have heard, regarded as a competent architect?

Mr. CROWELL. Yes; very able.

Mr. BENNET. And, you would be inclined to think, especially as an expert in hospitals?

Mr. CROWELL. Well, I did not know that.

Mr. BENNET. So that is a detail with which you were not familiar?

Mr. CROWELL. Whether or not he was an expert in hospitals?

Mr. BENNET. Yes.

Mr. CROWELL. No; I am not familiar with that.

Mr. BENNET. You said that in the figures as they came up to you first there was no estimate for overhead?

Mr. CROWELL. Yes.

Mr. BENNET. Are you referring now to the \$100,000 which is ordinarily added by the Quartermaster's Construction Department for overhead in these things?

Mr. CROWELL. Yes.

Mr. BENNET. You say that was not in the figures?

Mr. CROWELL. Did I say it was not in the first or was not in the second?

Mr. BENNET. You said it was not in the first.

Mr. CROWELL (after examining papers). I think it was the second proposition that it was not in.

Mr. BENNET. It was in the first? Is that right?

Mr. CROWELL. If you will wait a minute, I think I can find it. I do not recall, but I think my statement was—I think I was talking about the second proposition at that time.

Mr. BENNET. And your impression is that it was in the first?

Mr. CROWELL. My impression is that it was in the first, but it had been taken out in the second; and that when I spoke of its being out I was referring to the second proposition.

Mr. BENNET. So that you are quite clear—and you are correct; I have no desire to be captious—that the \$100,000 figure and the \$20,000 architect's fee was in the first estimate of \$3,410,000?

Mr. CROWELL. That is my impression.

Mr. BENNET. I show you a couple of papers and I ask you if they are what you and I have referred to as the first rejection? [Exhibiting papers to witness.]

Mr. CROWELL. I do not know. This is nothing that I have ever seen before, nor this. [Indicating papers.]

Mr. BENNET. If I state to you that they are produced from the files of the Surgeon General's office, and that Surgeon General Ireland and Col. Northington and one other witness have all three testified that they were the memorandum of the disapproval of September 27, you would not doubt it, would you?

Mr. CROWELL. I do not doubt the papers at all. I stated that I had never seen them before.

Mr. BENNET. These papers state that the Speedway Park proposition was rejected because the beds cost \$1,410 per bed. You are a practical contractor. Will you take a pencil and figure out—see if you can find out—how any such figure was arrived at?

Mr. CROWELL. This is not my statement that you are reading.

Mr. BENNET. This is the statement that came from your office.

Mr. CROWELL. No; pardon me. It did not come from my office.

Mr. BENNET. It came from the director of operations.

Mr. CROWELL. Yes. That is not my office.

Mr. BENNET. And you do not assume any responsibility for this statement?

Mr. CROWELL. None whatever. I never saw it.

Mr. BENNET. Have you got the memorandum which you say you made in your office in connection with the disapproval of September 27?

Mr. CROWELL. The papers come to my office describing this whole proposition, and I write either "approved" or "disapproved," and the papers then go back to the Division of Operations. I have no doubt you can get them there.

Mr. BENNET. Estimating the beds at 2,500 and the price at \$3,—410.300, will you tell me if the figure of \$1,410 per bed was correct?

(The witness started to make a computation, and was handed certain papers by Col. Wright.)

Mr. CROWELL. Do you want this? That is the way they come up and are approved or disapproved.

Mr. BENNET. Yes; I have a copy of that. That is where I got the figures \$3,410.300.

Mr. CROWELL. Now, your question was—

Mr. BENNET. If the price was \$1,410 a bed.

Mr. CROWELL (after making computation). I make it \$1,364. Am I right?

Mr. BENNET. Yes, sir. So, as a practical man, you state that whoever made the memorandum of the 27th of September, or whoever is responsible for it, and stated that the cost was \$1,410 per bed at the Speedway was mistaken?

Mr. CROWELL. I do not think he knew how to figure.

Mr. BENNET. I agree with you.

Mr. CROWELL. I might add that the error did not amount to much, however. It was a matter of a few dollars.

Mr. BENNET. Now, all hospital projects ought to be figured on the same basis. ought they not, conditions of construction and everything of that kind being equal?

Mr. CROWELL. You mean, they ought to be reduced to the cost per bed?

Mr. BENNET. If one standard of estimating cost per bed is adopted for one hospital, it ought to be applied to a competing hospital?

Mr. CROWELL. Yes; in a general way, I think, that is correct and is done.

Mr. BENNET. You regard Gen. Marshall as a competent authority; do you not?

Mr. CROWELL. Very—very.

Mr. BENNET. And if he states that the method that has been applied in the cantonment hospitals, and which he considers a proper method, is to take the square feet, allot 70 per cent of that for bed space, and divide it by 80, you would not hesitate for a moment or doubt that that was the correct rule?

Mr. CROWELL. I would not doubt anything he said.

Mr. BENNET. Would it interrupt you at all, if, as we go along, I ask different people in the room for figures?

Mr. CROWELL. I am very glad to have you, so long as you do not ask me for too many.

Mr. BENNET. I have had that in mind. Which were you informed was the larger—the Field Museum or the Speedway?

Mr. CROWELL. The larger building?

Mr. BENNET. Which had the most available space for hospital purposes?

Mr. CROWELL. The Field Museum.

Mr. BENNET (addressing Mr. Schmidt). Mr. Schmidt, you were on that commission; were you not?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. What was the available space of the Field Museum?

Mr. SCHMIDT. I do not recollect exactly, but I should say around 460,000 square feet.

Mr. BENNET. And what was the available space at the Speedway on the proposition of October 12?

Mr. SCHMIDT. October 12?

Mr. BENNET. That is the last, the consolidated proposition of \$3,265,475.

Mr. SCHMIDT. Does that take in the extra buildings?

Mr. BENNET. It does.

Mr. SCHMIDT. I am not acquainted with the details of that proposition.

Mr. BENNET. Have you not figured it out at 465,000 square feet?

Mr. SCHMIDT. Those are the square feet in the original proposition of August 31.

Mr. BENNET. Then the proposition of August 31 was 465,000 square feet?

Mr. SCHMIDT. Yes.

Mr. BENNET. So, while the difference was slight, the Speedway had the more available space?

Mr. SCHMIDT. More available floor area; yes, sir.

Mr. BENNET. Thank you very much. [Addressing Mr. Crowell.] Now, taking 465,000 square feet, and applying Gen. Marshall's formula, will you check up my mathematical calculation and see?

Mr. CROWELL. I will accept it right now, without checking it.

Mr. BENNET. Thank you very much. Then my calculation is that the Speedway, measured in the same way, according to Gen. Marshall's figures, was 4,068 beds. Now, in the second proposition there was no \$100,000 overhead, was there?

Mr. CROWELL. That is my impression.

Mr. BENNET. And the price was \$3,253,475?

Mr. CROWELL. Are you leaving now the question of square-foot space that you have gone into? Because I want to call your attention to the fact that we put our patients in beds, not on the floor, and the number of beds is what we figure.

Mr. BENNET. Yes; and I am calling your attention to Gen. Marshall, who says that that many beds can be gotten into 465,000 square feet.

Mr. CROWELL. Yes, sir—well, the proposition of the Speedway was always a 2,500-bed hospital.

Mr. BENNET. Are you familiar with the letter of October 26 to Secretary Baker?

Mr. CROWELL. No; probably not.

Mr. BENNET. Do you not know that it was stated to Secretary Baker in writing as a 4,000-bed proposition?

Mr. CROWELL. No; I do not remember that.

Mr. ADCOCK. It seems to me Mr. Crowell ought to have an opportunity of examining the letter.

Mr. BENNET. I have asked him if he has seen it.

Mr. ADCOCK. You are stating the contents of it.

Mr. BENNET. I will read you the letter.

Mr. CROWELL. I do not think I have seen it; have I?

Mr. BENNET. I do not know.

Mr. CROWELL. I do not know. I had better read it and find out.

Mr. BENNET. Start from there down. [Exhibiting letter to witness.]

Mr. CROWELL. How much do you want me to read?

Mr. BENNET. Just the last part, where it says "4,000 beds." I will turn it. I will save you time. Here it is. [Indicating on letter.]

Mr. CROWELL. No; I had not seen that.

Mr. BENNET. So, until I asked you to verify my calculation to-day, which you so kindly did, you did not know that the Speedway proposition was really a 4,000-bed proposition?

Mr. CROWELL. No.

Mr. BENNET. If you had known that before the 26th of September, might it have made any difference in your calculations, in your action?

Mr. CROWELL. Very likely; yes.

Mr. BENNET. Whose duty was it to have checked up that floor space and advised you?

Mr. CROWELL. I presume the Construction Division.

Mr. BENNET. Was there not any duty on Mr. Hare in that connection?

Mr. CROWELL. I think he would accept anything the Construction Division gave him on it.

Mr. BENNET. I see.

Mr. CROWELL. Ordinarily, I do not think he would figure on such things. What I was looking for was to see if the contract for the Speedway hospital does not call for a 2,500-bed proposition.

Senator FRANCE. I think so.

Mr. BENNET. I do not think any beds are mentioned. At Fort Sheridan it is that way.

Mr. CROWELL. Maybe that was the one.

Mr. BENNET. Two thousand five hundred additional beds are mentioned there.

Mr. CROWELL. The Speedway has always been considered a 2,500-bed proposition in my office, as far as I know.

Mr. BENNET. And possibly the fact that no one took the trouble to figure out the comparative floor areas may account for the unfavorable action?

Mr. CROWELL. Well, I never heard of any 4,000 beds.

Mr. BENNET. You will accept my assurance that this figures out that way?

Mr. CROWELL. Oh, yes.

Mr. BENNET. Now, as we go along, you read a telegram of September 11.

Mr. CROWELL. Yes.

Mr. BENNET. Would you mind reading the entire telegram?

Mr. CROWELL (reading):

SEPTEMBER 11, 1918.

The SHANK Co., Chicago, Ill.:

Reference telegram September 10: This office has ordered no construction work in connection with hospital at Chicago. This matter has been taken up verbally to-day with Mr. Erskine, who will wire in reference to same.

Mr. BENNET. So that the telegram did not have the finality that a reading of a portion of it would indicate?

Mr. CROWELL. Well, you do not mean to imply that I read a portion in order to mislead these gentlemen, do you?

Mr. BENNET. Not at all, because it has been read about six times.

Mr. CROWELL. I certainly did not. It would seem to me to be perfectly final.

Mr. BENNET. You do not think that second sentence means anything?

Mr. CROWELL. No; I do not see how that would authorize any continuation of the construction.

Mr. BENNET. Now, coming back to costs, of course, Mr. Hines' 40 per cent proposition was not in the figures as furnished prior to September 26. We agree on that, do we not?

Mr. CROWELL. Yes.

Mr. BENNET. His 40 per cent figure was in everything after that, was it not?

Mr. CROWELL. I think so; yes. You say "everything"—there were only two propositions made, were there not, the first and the second?

Mr. BENNET. The first proposition was made in three parts. The price named in what we call the consolidated bid of October 12—are you familiar with the bid of October 12?

Mr. CROWELL. If that is the date of the second proposition.

Mr. BENNET. That is the time when the proposition was made of \$3,253,475.

Mr. CROWELL. Yes; I saw it.

Mr. BENNET. Now, if you deduct from that Mr. Hines's 40 per cent, or \$1,296,211—I have added to the price the \$100,000 overhead—if you deduct from that the \$1,296,211 that leaves \$2,057,264 which divided by 4,068 equals \$461 a bed; does it not?

Mr. CROWELL. I am perfectly willing to take your figures. Of course, we divided it by 2,500.

Mr. BENNET. Yes; that seems to have been the difference, does it not—the divisor?

Mr. CROWELL. The 2,500 was always used, as far as I know.

Mr. BENNET. And until I called your attention to it to-day, you never knew that, taking the same methods of estimation, we claimed a 4,000-bed hospital?

Mr. CROWELL. I never heard that anybody claimed a 4,000-bed hospital.

Mr. BENNET. Just as a matter of personal pleasure, I should like to show you the building. [Exhibiting large photograph to witness.]

Mr. CROWELL. I saw it the other day.

Mr. BENNET. Have you been out there?

Mr. CROWELL. No; I saw the picture. I am very glad to look at it again, though, because it is a beautiful picture.

Mr. BENNET. It looks like quite a well-built building, does it not, so far as you can tell from the outside?

Mr. CROWELL. We have always heard very good reports as to the building. It is all right.

Mr. BENNET. As far as I can get at it, you had nothing unfavorable to the proposition, except the cost basis on this idea of 2,500 beds?

Mr. CROWELL. Well, of course, that was a decisive item. We are trying to save money where we can in this work.

Mr. BENNET. Now, the situation on the 18th of September, as I can summarize it—if I am wrong, the Senators will correct me—was, as the witness has detailed, that there was a desperate anxiety for hospital beds; that the Medical Department figured that 7 per cent of our men engaged in Europe would be casualties; that the number of beds allotted to the Chicago district was 12,000—I am speaking now of about the 7th of October, according to Col. Northington's testimony—and that, the ordinary machinery for obtaining beds not functioning rapidly enough, two commissions had been appointed, known as the eastern and the western commissions, to get additional beds for hospitals. Is that substantially correct?

Mr. CROWELL. Yes.

Mr. BENNET. Now, on the day that you disapproved the proposition, the first proposition for the Speedway Park, was there one single bit of hospital construction in progress in the city of Chicago?

Mr. CROWELL. Yes; I think there was 600 beds.

Mr. BENNET. You are referring to the Cooper Monotah? If I should demonstrate that the lease was not signed until afterwards you would change your testimony?

Mr. CROWELL. Yes; I would. I think you can get at the facts from some other source.

Mr. BENNET. Col. Wright, the lease for the Cooper Monotah Hospital was not signed until after the 26th of September?

Col. WRIGHT. No.

Mr. CROWELL. When was the thing opened as a hospital?

Col. WRIGHT. It has been opened about two weeks.

Mr. BENNET. I will put that date in. I have it right here. The lease of the Cooper Monotah Hospital was not signed until October 8, and was not to become effective as a hospital lease until November 15.

Mr. CROWELL. I rather assumed that it had been before that because we carried it as an assured project.

Mr. BENNET. But at that time the Speedway project had been already started. That is evident from the testimony of Mr. Shank, which you heard this morning.

Mr. CROWELL. I did not hear it.

Mr. BENNET. Were you not here when Senator France asked him about that?

Mr. CROWELL. Oh, yes.

Mr. BENNET. They had proceeded to the point where the foundation had already been put in and the first story was up?

Mr. CROWELL. Yes.

Mr. BENNET. To your knowledge has the Surgeon General's office ever disapproved this Speedway project?

Mr. CROWELL. Officers of the department have disapproved it.

Mr. BENNET. Who?

Mr. CROWELL. Col. Hornsby.

Mr. BENNET. Any others?

Mr. CROWELL. I think so, but I could not name others, I happen to know that Col. Hornsby disapproved it, because he told me so.

Mr. BENNET. You are familiar with Col. Hornsby's variegated past?

Mr. CROWELL. No.

Mr. BENNET. You have not included in your readings of light literature the "Annals of Sophie Smith" and the "Records of the Vigilantes of the Town of Skagway"?

Mr. CROWELL. I have been in Skagway, but I know little about his past.

Mr. BENNET. Did you rely on his opinion?

Mr. CROWELL. No.

Mr. BENNET. Then there is no use in asking about it. Did you reply on the disapproval of any of these medical officers?

Mr. CROWELL. I think I would have to look that up. I do not recall.

Mr. BENNET. Do you know Mr. Poppenhusen? Mr. Poppenhusen, will you stand up?

Mr. CROWELL. Oh, yes. I remember him very well.

Mr. BENNET. He had an interview with you about the 27th of December?

Mr. CROWELL. Yes. He had an interview with me at that time.

Mr. BENNET. Who else was present?

Mr. CROWELL. I do not remember.

Mr. BENNET. Was Father Shannon, of Chicago, present?

Mr. CROWELL. Yes.

Mr. BENNET. And Senator Medill McCormick?

Mr. CROWELL. Yes.

Mr. BENNET. And you told Mr. Poppenhusen at that time that you were familiar with the facts in relation to the Speedway hospital?

Mr. CROWELL. Yes.

Mr. BENNET. And you gave him, as I recall it, three reasons why the project had been rejected?

Mr. CROWELL. Very likely. I do not recall.

Mr. BENNET. I will try to recall it to you. One of the reasons that you gave him was that the bid of October 12 did not include plumbing, heating, and lighting.

Mr. CROWELL. Yes, I corrected that, the same day in a letter. I told him that it did not include certain things that I thought were plumbing, heating, and lighting. I found shortly after he left that I was wrong, but that it was nurses' quarters; that the bid did not include that.



Mr. BENNET. Do you say now that the bid of October 12 did not include nurses' quarters?

Mr. CROWELL. I am talking about the original bid.

Mr. BENNET. It was the 27th of November that he saw you?

Mr. CROWELL. Yes.

Mr. BENNET. And you told him at that time that you were familiar with the entire matter, that you were a practical contractor.

Mr. CROWELL. I probably did not boast of that.

Mr. BENNET. It is not a boast. It is a fact, is it not?

Mr. CROWELL. Yes.

Mr. BENNET. It is not dishonorable to be a practical man.

Mr. CROWELL. No; go ahead; I was just joking.

Mr. BENNET. Surely, and the second reason given was that the site had been disapproved by members of the medical staff?

Mr. CROWELL. Yes.

Mr. BENNET. And the third reason that you frankly said that the figures were not in mind.

Mr. CROWELL. I think that is possibly right.

Mr. BENNET. Now, the bid did include plumbing, heating, and lighting?

Mr. CROWELL. The second bid?

Mr. BENNET. Yes.

Mr. CROWELL. Yes.

Mr. BENNET. Secondly, you have no recollection of an officer other than Col. Hornsby disapproving the plans for the Speedway hospital?

Mr. CROWELL. I had a recollection that there were officers. I will furnish that to you. I do not recall who they were.

Mr. BENNET. Is your recollection correct that the first bid did cover plumbing, heating, and lighting?

Mr. CROWELL. No; I say that I found it did, but it did not include nurses' quarters, all of which I wrote in a letter.

Mr. BENNET. You are not responsible for this letter of November 27, are you? I will show it to you. [Mr. Bennet hands witness a letter.] That is Mr. Hare's letter that you rely on, from Mr. Hare, isn't it?

Mr. CROWELL. Of course I signed the letter. Nobody can duplicate my signature, if that is what you mean?

Mr. BENNET. I will ask you about the initials.

Mr. CROWELL. It is initialed by Mr. Hare.

Mr. BENNET. Prepared for your signature the day before Thanksgiving, and you probably laid it on the table; and having confidence in him you sent it.

Mr. CROWELL. I think the letter went out immediately; I do not think it laid on the table long. I think I tried to get it to Mr. Poppenhusen as quickly as I could to correct the statements I had made. Does it not correct them?

Mr. BENNET. It makes new errors.

Mr. CROWELL. Didn't I correct the old ones?

Mr. BENNET. No, sir.

Mr. CROWELL. May I see it?

Mr. BENNET. Yes.

Mr. CROWELL. I will have to differ with you. This does correct the statement I made previously.

Mr. BENNET. You mean by stating that the nurses' quarters are not included?

Mr. CROWELL. Exactly.

Mr. BENNET. Does it say specifically that you were mistaken when you told him that the plumbing, heating, and lighting had not been included?

Mr. CROWELL. Yes; it says that the statement that members of the medical staff disapproved of the site is correct, as is also the statement that the Shank Co.'s bid was incomplete, as it did not take into account the buildings necessary for housing the nurses and other personnel required by the hospital.

Mr. BENNET. But your statement to Mr. Poppenhusen had been that it was incomplete, because it did not cover plumbing, heating, and lighting.

Mr. CROWELL. And I now say it was incomplete, because it——

Mr. BENNET. Because it did not cover something else. And you regard that as a correction?

Mr. CROWELL. Yes; it was the intention.

Mr. BENNET. It would have been very easy to make the statement if the statement was incorrect.

Mr. CROWELL. I do not see how anybody could read that except as a correction.

Mr. BENNET. You regard that as a correction?

Mr. CROWELL. Oh, yes.

Mr. BENNET. And do you accept this as your personal letter, or was it really prepared by Mr. Hare, and, having confidence in him, you signed it?

Mr. CROWELL. I presume it was prepared by Mr. Hare. It is his initial. I signed it, of course.

Mr. BENNET. Of course, the signing made you responsible for the letter; but it is a custom in the department where men are trusted to sign letters, particularly where they contain figures, to go by the letter.

Mr. CROWELL. It is the same way in all departments of the Government and everywhere else.

Mr. BENNET. So that if I infer that Mr. Hare is responsible for that letter, in the sense of which I indicated, I am not doing him an injustice?

Mr. CROWELL. My impression is that Mr. Hare wrote the letter.

Senator LENROOT. Had you been informed by somebody that that original bid did not include plumbing, etc., or was it merely a mistake in recollection on your part?

Mr. CROWELL. It was a mistake in recollection, evidently. Mr. Poppenhusen will correct me if I do not state it correctly, but we had a general talk over this situation and brought up a good many reasons why the hospital was a good proposition, and, among other things, this is what was said, that it did not include everything; and my recollection at that time was that it did not include certain items like plumbing, heating, and lighting. I found that I was incorrect, and immediately corrected it by sending this letter.

Mr. BENNET. But in that letter you stated, under date of November 27, that—

*The statement that members of the medical staff disapproved of the site is correct, as is also the statement that the Shank Co.'s bid is incomplete, as it*

did not take into account the buildings necessary for housing the nurses and other personnel required by the hospital. These items amounted to over \$800,000 in addition to the original bid of \$2,500,000 of the same company for the complete hospital of 2,500 beds.

At that time you had in your department this bid of October 12, which showed you that the bid covered nurses' quarters and everything that you said were not in it, did you not?

Mr. CROWELL. Yes; the second one.

Mr. BENNET. Of course, writing on the 27th of November about the Shank Co.'s bid, it would naturally be understood as referring to such bid that they made?

Mr. CROWELL. I think we were referring to the first bid.

Mr. BENNET. Does it say so in the letter?

Mr. CROWELL. It was very evident we were.

Mr. BENNET. So you want now to be understood as saying that after the bid had been disapproved on November 27, and after Mr. Hines and his associates had been notified or invited to submit a new bid, that after they had submitted it on October 12, when they came to you on November 22 and asked you why on October 24 you had disapproved their bid, you gave them an answer referring not to the disapproval of October 24, but the disapproval of September 27.

Mr. CROWELL. Yes; I think they were discussing that.

Mr. BENNET. Who is Capt. E. R. Nichols?

Mr. CROWELL. I do not know.

Mr. BENNET. He is described here as estimator. You do not happen to know him?

Mr. CROWELL. No.

Mr. BENNET. Who is Col. C. C. Wright?

Mr. CROWELL. Col. Wright is in the construction division.

Mr. BENNET. He was connected with this project you knew, did you not?

Mr. CROWELL. Yes; he had a great deal to do with it.

Mr. BENNET. Then I show you a letter from Capt. Nichols to Col. Wright, and Col. Wright's memorandum at the bottom. [Mr. Bennet showed witness letter.]

Mr. CROWELL. Yes; this is the reference of Capt. Nichols to Col. Wright, on the Speedway Hospital. All right, I have read it.

Mr. BENNET. Now, if you will read my figures and verify my calculations, or take my word for it, the figures on that memorandum.

Mr. CROWELL. This pencil memorandum?

Mr. BENNET. Yes. Based on the figures of Col. Wright's estimate, adding \$192,000, the value of the land as set out in the contract signed by Shank on October 31, and the value of the improvements of \$108,000, as carried in the same contract and deducting from that \$3,253,475, it leaves a statement on the part of the Government officials that this building and property was furnished to the Government at \$709,355 less than the real estate and the building were costing. Is that correct?

Mr. CROWELL. Yes; I have never seen any of these before.

Mr. BENNET. This is all new?

Mr. CROWELL. This letter is new; yes.

However, if you are going to leave that subject, I will say that the report, that memorandum to me was that this Speedway project was

likely to be profitable to Mr. Hines and to Mr. Shank, and was a good one for the Government.

Mr. BENNET. If it was a good one for the Government you did not care whether it was profitable to them or not.

Mr. CROWELL. I was glad if it was.

Mr. BENNET. You can not recall members of the medical staff who disapproved this site and project. I would like to call your attention to one who approved it, which was Col. R. L. Dickinson.

Mr. CROWELL. I think if you are going into the officers—

Mr. BENNET. I show you his letter.

Mr. CROWELL. I was going to say that others can give you better information than I can. Of course he was a well-known officer in the medical department. You do not want anything further than that, do you?

Mr. BENNET. I would like to read you his memorandum:

WAR DEPARTMENT,  
OFFICE OF THE CHIEF OF STAFF,  
Washington, October 19, 1918.

Memorandum for Gen. Jervey.

Subject: Field Museum, Chicago, as hospital.

1. In view of recent developments abroad, an excess number of beds should not be sanctioned at this time for any one district. Therefore the plans for Chicago are subjected to review. The need for the period of a year for this district will be covered by adding to the provision already made at Fort Sheridan and Cooper Monotah either the Field Museum or Maywood. There is no question which should be the better hospital project. Maywood is preferred by the Surgeon General as well as by the Construction Division of the Quartermaster General's Office and the Operations Division of the General Staff.

2. For convalescent soldiers who are chiefly ambulant an exposed position on the lake front is not desirable. The surroundings of the museum are a bare unimproved fill at a level 25 feet lower than the floor of the building. The cost will be \$430 per bed for the first year, and less than \$20 the second. The time required will be six months.

3. Maywood (Speedway Park) can be made ready three or four months earlier than the museum. It will constitute an excellent modern hospital of permanent construction, as compared with a relative makeshift like the Museum, wherein quarters for the sick must be adjusted as best they may to architecture of the monumental type.

4. Maywood is offered, subject to repurchase, at a figure that will bring its cost down to \$400 per bed a year if occupied two years, and \$160 if occupied five years. Our wooden hospital structures, figured on a two-year use, run from \$500 to \$900 per bed per year.

5. Disapproval of the museum lease is suggested.

R. L. DICKINSON,  
Lieutenant Colonel, United States Army.

Were you familiar with the memorandum before the 24th of October?

Mr. CROWELL. It sounds familiar. I probably saw it; yes; but when I do not know.

Mr. BENNET. And in the face of that memorandum you approved the Field Museum site, which was smaller than the Speedway and cost more, and disapproved the Speedway project?

Mr. CROWELL. I did not agree with many of the things that Dickinson says in this memorandum.

Mr. BENNET. I see.

Mr. CROWELL. You can get a great deal, a great many suggestions on both sides of this matter, if you go into both sides.

Mr. BENNET. In a moment I am going to ask you to produce the other side.

Here is a memorandum of the Surgeon General. He did know about such things.

Mr. CROWELL. Who is it?

Mr. BENNET. Ireland.

Memorandum for the Inspector General's Department—

Mr. CROWELL. What is the date?

Mr. BENNET. November 4.

This office is now requested by the Inspector General's Department to express its desire and make recommendation with reference to the following general hospital projects:

(a) Speedway Park, Maywood, Chicago, and

(b) The new Field Museum, Chicago.

It is assumed that the Inspector General has all papers in his possession, including the recent memorandum from the Director of Operations to the Secretary of War, which included an exposition of the relative merits of the two projects and requested reconsideration.

That, I presume, is the document of October 19?

Mr. CROWELL. Yes.

Mr. BENNET (reading):

(a) This office has always desired to make ample provision for general sick in the vicinity of Chicago, and has desired to provide a portion of the beds (that proportion which will always be required by the enlarged permanent authorized strength of the Army) in more permanent construction. The Speedway Park property admirably provides this. Though it will be possible to salvage back to the present owners this property in five years or less, at 40 per cent of its present value, this office feels certain that there never will be any occasion to do so as all the beds of this general hospital will be required always and are not for the present emergency only.

(b) It is felt at this time, with favorable consideration of the smaller permanent hospital project at Speedway Park, this office does not desire to recommend the new Field Museum project. If a shortage of beds should result in the district of Chicago or the Central States, this office will undertake to supply the shortage more economically in another manner.

M. W. IRELAND,

Major General, Medical Corps, United States Army,  
Surgeon General.

Mr. BENNET. Did you ever see that letter?

Mr. CROWELL. I think not.

Senator FRANCE. What was the date of that?

Mr. CROWELL. November 4.

Mr. BENNET. Did you ever see a letter from Mr. Hines, dated November 27, before very much work had been done at Fort Sheridan? I will read you a letter of November 8 from Gen. Ireland.

1. In regard to the cost of constructing hospitals, it appears from the records of this office that the Speedway project, which is permanent construction, will cost about \$1,300 per bed. This is approximately the cost of our temporary building construction, which is now being used in various places. The wooden barracks type of construction, used in the camps in many instances, ran more than \$1,300 per bed.

In other words, this fireproof building at the Speedway was to cost less per bed than the wooden hospitals. Had that ever been brought to your attention?

Mr. CROWELL. Yes; I was familiar with it.

Mr. BENNET. Did you know that on September 26—

Mr. CROWELL (interposing). The cost of all hospitals varies with such items as sewage and water supply, so that you have a tremendous variation in the costs.

Mr. BENNET. Do you agree with the Surgeon General's statement that the wooden barracks type of construction ran more than \$1,300 per bed?

Mr. CROWELL. In many instances; yes.

Mr. BENNET (reading):

2. Under these circumstances it is apparent that it would be much more expensive for the department to attempt to build a permanent hospital outside of Chicago rather than accept the Speedway proposition. The opinion of the supervising architect in this office is that to go elsewhere and build a permanent hospital building comparable to that planned on the Speedway would cost at least \$2,000 per bed, and if we were to add to that construction the cost of the land to be acquired, grading, etc., this would probably be greatly increased.

3. For the reasons given above and on account of the unwillingness of the War Industries Board to authorize new construction where it can be avoided, I believe we should accept the Speedway proposition. A great deal of the construction here has already been done and an immense amount of material has been obtained. We can probably occupy this hospital in about 90 days, and time is a matter of great importance. I realize that the climate of Chicago is not favorable, but the Speedway is a long way from the lake front and is an enormous improvement in this respect on the Field Museum.

M. W. IRELAND,

*Major General, Medical Corps,  
Surgeon General United States Army.*

Mr. BENNET. Did you ever see that letter before?

Mr. CROWELL. No; I think not.

Mr. BENNET. If those letters had been brought to your attention is it possible that they may have modified your feeling in relation to the Speedway?

Mr. CROWELL. It is hard to look back and say what you would have done if certain information would have been given to you at that time. I can not say. Of course, I do not agree with those letters personally.

Mr. BENNET. You disagree with them?

Mr. CROWELL. Yes.

Mr. BENNET. You disagree with Col. Dickinson?

Mr. CROWELL. Yes.

Mr. BENNET. And Maj. Gen. Ireland?

Mr. CROWELL. Yes.

Senator LENROOT. May I ask you, Mr. Secretary, in the ordinary course, when you were passing upon a project, would those letters have been brought to your attention?

Mr. CROWELL. No; not necessarily, Senator. If particular circumstances came up where they apply, they usually are brought to my attention.

I will say that I have never heard, since we started on the Fort Sheridan project, of any protest from the Medical Department or anywhere else.

Mr. BENNET. I thought you said awhile ago that the medical officers disapproved the subject of the Speedway hospital.

Mr. CROWELL. I said Fort Sheridan.

Mr. BENNET. I beg your pardon.

Now, one of the witnesses has read into the record in full the examination of Mr. Wallace Heckman, of Chicago. Do you know Mr. Heckman?

Mr. CROWELL. No.

Mr. ADCOCK. I do not think that is quite correct. As I understand it, the entire Stotesbury report is in the record, and this is part of it.

Mr. BENNET. I will change that. I want to be accurate and say, as read in the hearing of the committee.

Mr. ADCOCK. I did not know that the whole record had gone in. If so, it went in in my absence.

Mr. BENNET. I think you are technically correct.

Senator FRANCE. It has been submitted to the committee, and if it is considered to be in harmony with a sound public policy to print it, it will be printed; otherwise not.

Mr. BENNET. I think you are correct, Senator. This particular portion has already been read.

You do not know Mr. Heckman?

Mr. CROWELL. I do not recall him. Possibly you can refresh my recollection.

Mr. BENNET. I will try. I am not sure. Col. Starrett had an interview with Mr. Heckman in Chicago in relation to this Speedway proposition in September, 1918. Does that help you any?

Mr. CROWELL. No; it does not.

Mr. BENNET. Mr. Heckman is the counsel and general manager of the University of Chicago. Does that help you any?

Mr. CROWELL. No.

Mr. BENNET. Do you know Mr. Milton J. Trainer?

Mr. CROWELL. Yes.

Mr. BENNET. Did you know him in September, 1918?

Mr. CROWELL. No.

Mr. BENNET. When did you first meet him?

Mr. CROWELL. I should say since the armistice was signed.

Mr. BENNET. Do you know Mr. Jarvis Hunt?

Mr. CROWELL. Yes.

Mr. BENNET. How long have you known him?

Mr. CROWELL. Forty or fifty years.

Mr. BENNET. You are not that old, Mr. Secretary?

Mr. CROWELL. Yes; I am.

Mr. BENNET. Was he in Washington in September, 1918?

Mr. CROWELL. Yes.

Mr. BENNET. He had a hospital project?

Mr. CROWELL. I think he evolved one after he got here. I don't think he brought one with him.

Mr. BENNET. The climate of Washington is such that it greatly assists in evolving one.

Mr. CROWELL. I do not recall how it started.

Mr. BENNET. You are familiar with the fact that he had a hospital project?

Mr. CROWELL. Yes.

Mr. BENNET. That was at Washington and Garden Park?

Mr. CROWELL. Yes.

Mr. BENNET. Did Mr. Hare know Mr. Hunt?

Mr. CROWELL. I do not know.

Mr. BENNET. Who sent Maj. Starrett out to Chicago?

Mr. CROWELL. I did.

Mr. BENNET. And did you suggest to him whom he should see?

Mr. CROWELL. No.

Mr. BENNET. Do you know where Col. Starrett is now?

Mr. CROWELL. No.

Mr. BENNET. Is he here in Washington?

Mr. CROWELL. I can not tell you. I do not know.

Mr. ADCOCK. Pardon me just a minute. I think the Starrett report shows how it happened that he called on Mr. Heckman.

Mr. BENNET. The secretary has specifically asked that the Starrett report be kept out of the record.

Mr. ADCOCK. Well, I thought the secretary was referring to the Starrett report.

Mr. BENNET. I am perfectly willing.

Mr. CROWELL. What do you want me to do?

Mr. BENNET. You have no recollection—you do not know how Mr. Starrett came to see him, of your own personal knowledge? Was it with reference to anything you said or did?

Mr. CROWELL. No.

Mr. BENNET. And you do not know how he came to see Mr. Heckman?

Mr. CROWELL. No.

Mr. BENNET. You did not know Mr. Trainer?

Mr. CROWELL. I said at that time.

Mr. BENNET. In this memorandum of September 27, in which the Surgeon General's office was informed that the Speedway proposition was disapproved, there is a statement that it appears possible to secure an additional 6,200 beds by erecting temporary buildings at Speedway Park and Washington Park. So far as you know, had any contract or contracts for hospitals containing 6,200 beds at these two parks been disapproved by either the construction department or the Surgeon General's office on the 26th of September?

Mr. CROWELL. No; I think not.

Mr. BENNET. And you were not responsible for it in any way?

Mr. CROWELL. No.

Mr. BENNET. And you do not know where they originated from?

Mr. CROWELL. It is evident where they originated.

Mr. BENNET. It is evident where they came from; but where did they start?

Mr. CROWELL. I do not know.

Mr. BENNET. Who had power, other than your office, on the 26th of September to disapprove this Speedway project?

Mr. CROWELL. Nobody.

Mr. BENNET. Well, you do not mean to say that the memorandum of September 27 was entirely unauthorized?

Mr. CROWELL. I do not know anything about it.

Mr. BENNET. If it had come from your office you would have known something about it, would you not?

Mr. CROWELL. I have already described what my approval consisted of. It is on the papers.

Mr. BENNET. That is all.

Mr. CROWELL. Yes.

Mr. BENNET. How this got to the Surgeon General's Office you can not imagine?

Mr. CROWELL. I can imagine, but I am not sitting here imagining.

Mr. BENNET. You have no knowledge?

Mr. CROWELL. I have no knowledge.

Mr. BENNET. Except that it did come from your office?



Mr. CROWELL. It did not come through me.

Mr. BENNET. Is it possible that it came through Mr. Hare?

Mr. CROWELL. I do not know.

Mr. BENNET. Is he acquainted with Mr. Jarvis Hunt?

Mr. CROWELL. I do not know.

Mr. BENNET. Did he discuss the project with you?

Mr. CROWELL. Yes.

Mr. BENNET. You do not regard it as improper for a citizen who has a project to discuss it with an official?

Mr. CROWELL. No.

Mr. ADCOCK. You are referring to the Garden and Washington Park project?

Mr. BENNET. Yes. But whoever got up that memorandum gave as a reason for turning down this Speedway on the 27th that they could furnish 5,200 beds at Garden and Washington Park. There is no doubt about that, is there?

Mr. CROWELL. Yes; but I do not see what of it.

Mr. BENNET. That is for the committee to say, what of it.

Mr. CROWELL. I have nothing to do with it.

Mr. BENNET. I am frank to say that that is a surprise to me.

You say you did not know Mr. Trainer until after the 11th of November?

Mr. CROWELL. I think that was it. I think that was about the time Mr. Trainer is sitting here; you can ask him; he can tell you, perhaps.

Mr. BENNET. Have you ever discussed with him these charges that were made by Mr. Hines to the Secretary?

Mr. CROWELL. Yes.

Mr. BENNET. How recently?

Mr. CROWELL. Oh, I think the last time I discussed them was about a week ago.

Mr. BENNET. And at that time did you tell him that the Stotesbury report brought in the name of a Chicago banker, George M. Reynolds?

Mr. CROWELL. No.

Mr. BENNET. Have you never discussed that Stotesbury report with Mr. Trainer?

Mr. CROWELL. Never.

Mr. BENNET. Or the charges against him?

Mr. CROWELL. I just said I had discussed the charges.

Mr. BENNET. I overlooked that. That is my error. That was a matter which you discussed within the last few days?

Mr. CROWELL. I think about a week ago.

Mr. BENNET. Do you know his partner—Mr. Wallace Clark?

Mr. CROWELL. I do not know whether I do or not.

Mr. BENNET. Do you know that Mr. Jarvis Hunt was his associate in Chicago?

Mr. CROWELL. No; I thought Mr. Hunt was an architect.

Mr. BENNET. Did you ever hear of the Boulevard Building in Chicago, on Michigan Avenue?

Mr. CROWELL. No; I do not think so.

Mr. BENNET. And you do not know that Mr. Trainer and Mr. Jarvis Hunt and Mr. Clark were interested in that building?

Mr. CROWELL. No.

Mr. BENNET. And that the price of \$600 an acre on the land at Speedway was placed on it by a committee of which Mr. Clark was a member, and that the hospital projects that were used to kill the Speedway were the Washington Park hospital projects?

Mr. ADCOCK. I do not think that that is a fair statement—that Mr. Clark was a member of a single valuation committee.

Mr. BENNET. His testimony shows that they signed a joint telegram—Mr. Miller, Mr. Wallace, and Mr. Clark, who were the members.

Mr. ADCOCK. The testimony shows that it was signed by Mr. Clark.

Senator LENROOT. That is immaterial. You knew nothing about Mr. Clark's connection with it?

Mr. BENNET. Whatever connection there was, you did not know it?

Mr. CROWELL. That is right.

Mr. BENNET. Now I understand that you never recommended the cancellation of the Field Museum lease?

Mr. CROWELL. I said that was my impression. I can readily verify that.

Mr. BENNET. Is there anybody here that can verify it?

Mr. CROWELL. I think Mr. Hare can.

Mr. HARE. What was the question?

Mr. BENNET. Did your office ever recommend the cancellation of the Field Museum lease prior to the armistice?

Mr. HARE. Yes.

Mr. BENNET. If you did, you can show it when you come on the stand.

Mr. CROWELL. Did I do it?

Mr. HARE. Prior to the armistice?

Mr. CROWELL. The cancellation of the Field Museum?

Mr. HARE. I think not.

Mr. CROWELL. That was my impression.

Mr. BENNET. Have you any personal information on the relative merits of fireproof and nonfireproof hospitals?

Mr. CROWELL. I have been studying that all my life.

Mr. BENNET. Which do you prefer?

Mr. CROWELL. For what, hospitals?

Mr. BENNET. Yes.

Mr. CROWELL. Fireproof, of course, on any building.

Mr. BENNET. And almost any practical contractor would prefer fireproof to nonfireproof buildings?

Mr. HARE. That is a copy, sir (exhibiting a paper to witness). That is the specific approval of the Field Museum.

Mr. CROWELL. It was the cancellation of the lease.

Mr. HARE. I do not know anything about that.

Mr. CROWELL. Will you repeat your question?

(The question was read by the reporter as follows:)

Mr. BENNET. And almost any practical contractor would prefer fireproof to nonfireproof buildings?

Mr. CROWELL. I think that is evident, other things being equal. Of course, there is a difference in cost, which always enters into it.

Mr. BENNET. In 1918 the cost of lumber was high, was it not?

Mr. CROWELL. The cost of everything was high; yes.

Mr. BENNET. If you built a four-story concrete building, the difference in cost between that and the temporary wooden buildings in 1908 was not very great, was it?

Mr. CROWELL. Yes; I think it was very great.

Mr. BENNET. Do you know that the cost of new construction at Fort Sheridan is \$1,000 a bed?

Mr. CROWELL. I do not think anybody does, because it has not been completed.

Mr. BENNET. You do not know that Col. Wright testified that that was the cost of the new construction?

Mr. CROWELL. I do not think it is completed.

Mr. BENNET. It is 92 per cent completed.

Mr. CROWELL. Well, how are you going to get the cost until it is completed?

Mr. BENNET. I will have to leave that to Col. Wright. He said it would.

Mr. CROWELL. It might cost more than that. I do not know how you can tell.

Senator LENROOT. Mr. Bennet, it does not seem to me that we are interested in that. The question is what impelled him to take the action he did upon the estimate of cost at that time.

Mr. BENNET. Who recommended the Field Museum as a substitute for the Speedway?

Mr. ADCOCK. I object to that. That assumes that there was a recommendation of a substitute for the Speedway. I think that has not been brought out.

Mr. CROWELL. That is quite correct. It was not as a substitute.

Mr. BENNET. Who recommended the Field Museum?

Mr. CROWELL. The Operations Department of the General Staff.

Mr. BENNET. In writing?

Mr. CROWELL. Yes.

Mr. BENNET. Have you it here?

Mr. CROWELL. No.

Mr. BENNET. Can you get it?

Mr. CROWELL. It is in our files somewhere. Those are approved by me or disapproved by me and are not filed in my office. I have no doubt we can furnish it.

Mr. BENNET. It is perfectly easy to get?

Mr. CROWELL. I do not see why not.

Mr. BENNET. Who first brought the Field Museum proposition to your attention?

Mr. CROWELL. I think the Secretary of War.

Mr. BENNET. He went to Europe on the 31st of August, did he not?

Mr. CROWELL. Yes; I think he did.

Mr. BENNET. And did not return until the latter part of October?

Mr. CROWELL. Yes.

Mr. BENNET. And the Field Museum was being started by the War Department on the 20th of September?

Mr. CROWELL. Yes.

Mr. BENNET. Is not your recollection incorrect, then?

Mr. CROWELL. It may be, but it is still my recollection. I think that the Field Museum proposition had been brought to him previous to the time he sailed, and that he mentioned it to me.

Mr. BENNET. Was not that the old Field Museum?

Mr. CROWELL. I did not know there were two Field Museums.

Mr. BENNET. Did you not know that there was an old Field Museum and a new Field Museum in Chicago?

Mr. ADCOCK. You mean building? There is just one Field Museum.

Mr. BENNET. You understood I was talking about the building?

Mr. CROWELL. Yes.

Mr. BENNET. The old Field Museum was under consideration earlier, was it not?

Mr. CROWELL. I do not know.

Mr. BENNET. Do you know how the project came before you?

Mr. CROWELL. I remember the Secretary mentioning it, and it may have been that one, and it must have been before he went to Europe. The next I knew of it was a recommendation from the operations in the usual way.

Mr. ADCOCK. May I just refresh your recollection? Did not Judge John Barton Payne, who was counsel for the Director of Railroads, and who at the same time was president of the commissioners of city parks in Chicago, offer to the Government the use of the barracks and also the museum property, including the Washington Park, for the use of the Government for any purpose, hospital or otherwise?

Mr. CROWELL. I do not recall, but I think very likely he did. You understand a great many of these people come here and take these matters to the Secretary of War, and sometimes they bring them to me. I do not know always what goes on.

Mr. BENNET. You have no criticism of anyone who takes a project to the Secretary of War instead of taking it to you in the first instance?

Mr. CROWELL. No; quite the contrary.

Mr. BENNET. It saves your time?

Mr. CROWELL. I think it is the natural place to take it.

Mr. BENNET. Surely. You do not quite understand; if I state it as a fact, why anyone should say that the proposition came in through the back door or irregularly, when it was taken in the first instance to the Secretary of War, do you?

Mr. CROWELL. No; I should say that is the front door.

Mr. BENNET. If a man had a proposition to present and could see the Secretary of War that is the place to go, is it not?

Mr. CROWELL. That is the usual thing to do.

Mr. BENNET. And if the Speedway proposition came into the department in that way it came in naturally?

Mr. CROWELL. Yes.

Mr. BENNET. Did you ever have any talk with Mr. Hines about this matter?

Mr. CROWELL. Yes; I had a talk with Mr. Hines two or three times.

Mr. BENNET. Is not your recollection rather wrong. Did you not see him once on the 1st of October and turn him over—

Mr. CROWELL. I do not know.

Mr. BENNET. If I state it to be a fact—

Mr. CROWELL. I will accept it. I think I have seen Mr. Hines two or three times. Have I not, Mr. Hines?

Mr. HINES. Yes, sir.

Mr. BENNET. Since that time?

Mr. CROWELL. Altogether. I am not trying—

Mr. BENNET (interposing). It is hardly material. If you have had any interviews with him, they have been brief and of no great importance.

Mr. CROWELL. Yes; very brief.

Mr. BENNET. In an emergency such as existed in 1918, in September, 1918, when it was expected that there would be many wounded men in hospitals, did not those who figured lay off rooms so that the rooms intended for billiard rooms and things of that kind would have been used for beds if necessary?

Mr. CROWELL. Yes.

Mr. BENNET. So that it is no disparagement of the project that those who planned it for a fine up-to-date hospital did plan that some of the space might be used for recreational purposes for the soldiers?

Mr. CROWELL. I think we always plan certain recreational space for soldiers.

Mr. BENNET. But of that you are not quite sure?

Mr. CROWELL. I have not seen it in all hospitals, but I have not seen all the hospitals.

Mr. BENNET. Has the Government any other fireproof hospitals at all?

Mr. CROWELL. Yes.

Mr. BENNET. Where?

Mr. CROWELL. Do you want a list of them? I would be very glad to furnish it. I can only mention one right now, the Green Hut Hospital in New York.

Senator FRANCE. Do you consider that a fireproof hospital, the Green Hut store?

Mr. CROWELL. I supposed it was, Senator.

Mr. BENNET. No; you are wrong.

Mr. CROWELL. I supposed it was.

Senator FRANCE. I will give you Gen. Marshall's definition of a fireproof hospital—one in the construction of which no wood is used.

Mr. CROWELL. He has gone some ways if he says that, because I have never seen a building, that I can recollect, in which some wood was not used.

Mr. BENNET. You are not familiar with the plans of the Speedway Hospital?

Mr. CROWELL. I know it is reinforced concrete with brick walls. I do not think it is proposed to be built without wood.

Mr. HINES. There are no floors—no wood of any kind.

Mr. CROWELL. How about the doors?

Mr. HINES. The sash and the doors are wood.

Mr. CROWELL. Then there is wood in it.

Mr. BENNET. Is he right about that?

Col. WRIGHT. The roof is wood, also.

Mr. BENNET. No; there were some rafters in the roof under the concrete.

Mr. CROWELL. Yes; there is a concrete slab, and the false roof is wood.

Mr. BENNET. Right.

Mr. CROWELL. I think you will find very few buildings without some wood.

Mr. BENNET. You will find very few buildings with as little wood as I have described.

Mr. CROWELL. All reinforced-concrete buildings are built that way.

Mr. BENNET. They are regarded as fireproof?

Mr. CROWELL. I think it is the best form of fireproof building.

Mr. BENNET. That is, the one in use at the Speedway is the best form of fireproof construction?

Mr. CROWELL. Yes; I think so.

Mr. BENNET. Has the Government any hospital building, built for a hospital, equal in form of construction to the Speedway Hospital?

Mr. CROWELL. After I made my mistake as to Green Hut I think I will make no statement. I will be glad to furnish it to you.

Senator FRANCE. I did not intend by my interjection to be in any way a negative of your testimony.

Mr. CROWELL. I merely assumed that a big building of that type in New York would have to be a fireproof building. I have no further information about it.

Senator FRANCE. We would like to get some information later on with reference to the Green Hut site.

Mr. CROWELL. I would be glad to send it to you. I want to say that we have about 100 hospitals in the country, and a general knowledge of them would be beyond the means of any one man.

Senator FRANCE. Mr. Secretary, during this moment of pause I would like to ask you this question: You pass upon the desirability of these various hospital projects?

Mr. CROWELL. Yes.

Senator FRANCE. Now, there was one of three methods that you might have pursued. First, that of accepting the findings of the divisions. In this case you did not do that?

Mr. CROWELL. No.

Senator FRANCE. The second method would be the reaching of a judgment yourself, independently, after a thorough examination of all the facts in detail. Did you do that?

Mr. CROWELL. No.

Senator FRANCE. The third method would be the reliance upon your associates and subordinates to a very large degree, accepting their judgment, as you considered in a general way the proposition. Did you follow that method?

Mr. CROWELL. That is my method of handling all these things.

Senator FRANCE. Will you name the subordinates and associates upon whom you principally relied in reaching your judgment?

Mr. CROWELL. Mr. Hare was the head of the organization.

Senator FRANCE. He was the chief?

Mr. CROWELL. Yes.

Senator FRANCE. Of your personnel or organization?

Mr. CROWELL. In handling these particular projects.

Senator FRANCE. Well, now, with whom was Mr. Hare associated?

Mr. CROWELL. In my office?

Senator FRANCE. I mean who were associated with him as clerks or in subordinate capacities as part of this organization upon which you relied instead of relying upon the regular organization of the construction department?

Mr. CROWELL. In Washington Mr. Hare had Mr. Myers, Mr. Morey, Mr. Vandeventer, as I recall. Scattered over the country he

had, perhaps, a dozen men in the different large cities who come here from time to time and to whom he sometimes referred items pertaining to their district.

Senator FRANCE. You are undertaking to give a description of the whole organization under Mr. Hare. But I was more particularly interested in knowing the names of those upon whom he would rely as part of his organization in reaching a judgment on this particular project.

Mr. CROWELL. Well, I do not think I can answer that, Senator. Mr. Hare, of course, could.

Senator LENROOT. Did you rely upon Hare?

Mr. CROWELL. I relied upon the figures that were brought to me by Mr. Hare's office.

Senator FRANCE. In other words, you decided in this instance to rely upon Mr. Hare and your personal associates and subordinates rather than upon the findings of the construction division?

Mr. CROWELL. That was my custom in all cases.

Senator FRANCE. And in connection with the findings of the construction division, the findings of the Surgeon General's office, and the other organizations which approved this project.

Mr. CROWELL. Yes; these projects, when they got to me, had the approval of the other organizations, and finally of the Director of Operations. They were brought over to me by Mr. Hare's organization. They made whatever investigation they thought necessary, or often I directed some investigation.

Senator FRANCE. Of course, we understand that it would be impossible for you to look into the details of every project.

Mr. CROWELL. Of course.

Senator FRANCE. It is perfectly clear, and there is no criticism of you whatever in that connection, and could not be. That is all.

Mr. BENNET. One additional question. What was Mr. Hare's business before he came into the Government service?

Mr. CROWELL. Just before he came here he was connected with the United Gas Co.

Mr. BENNET. He was chief of the advertising section, was he not?

Mr. CROWELL. I never heard so. Mr. Hare can tell you. My understanding was he was general manager of sales.

Mr. BENNET. At any rate he will know. So far as you know he had never had anything to do with construction work?

Mr. CROWELL. Yes, he had. He seems to know all about that. I think he must have had.

Mr. BENNET. But you do not know what his past is.

Senator FRANCE. Now, gentlemen, the secretary is a very busy man, and we do not wish to go into too much detail, and we desire to excuse him as soon as possible and, of course, you will cut this short as much as possible. Now, will counsel bear that in mind?

Mr. ADCOCK. Yes; I will take less time than the other counsel.

Senator, you did not mean to infer when you put the questions, you did not intend to give the impression that Mr. Trainer's evidence had been placed before the committee in this commission charge?

Senator FRANCE. Certainly not. Mr. Trainer has not testified.

Mr. ADCOCK. Nor has he submitted his witnesses.

Senator FRANCE. I was referring to the general testimony of Mr. Shank, Mr. Foster, and others.

Mr. ADCOCK. That statement has been made in the testimony?

Senator FRANCE. Yes.

Mr. ADCOCK. You say that you never met Mr. Trainer until after the armistice was signed?

Mr. CROWELL. I think that is correct, isn't it Mr. Trainer?

Mr. TRAINER. I think approximately. I never had any relations with you until after that.

Mr. ADCOCK. You never, of course, had any talk with Mr. Trainer in relation to this Speedway project?

Mr. CROWELL. No.

Mr. ADCOCK. You never, of course, heard him say anything which was derogatory to the project?

Mr. CROWELL. No.

Mr. ADCOCK. There was a commission appointed, two commissions appointed, as I understand it, one with reference to eastern hospitals and the leasing of such buildings for hospitals which related to the East, and one to the West, and you remember that Gen. Noble, Mr. Trainer, and Mr. Schmidt were on the western commission, do you not?

Mr. CROWELL. I remember Gen. Noble went out with a commission. I do not recall who went with him.

Mr. ADCOCK. You do not recall whether Mr. Trainer was on that commission or not?

Mr. CROWELL. No.

Mr. ADCOCK. Now, this Starrett report, is that here?

Senator FRANCE. I have no knowledge of it.

Mr. ADCOCK. I was wondering if we could have it.

Mr. BENNET. I should like to make this observation. We were informed by the committee yesterday that report was not going to be used.

Mr. ADCOCK. I am not going to introduce it; I wanted the secretary to see it, to have it before you when I ask you some questions.

Senator LENROOT. Would this be regarded as confidential?

Mr. CROWELL. I asked that the committee regard the report as confidential. I do not press it in any way. My only reason was that it was a confidential report made to me. I am perfectly willing to leave it with the committee and you can make any use of it you wish.

Senator LENROOT. How about your desire with reference to counsel seeing it?

Mr. BENNET. We have both seen it.

Mr. CROWELL. There were some personal observations made in the report that I would not like to have made public.

Senator LENROOT. You wish that the committee would regard it as confidential unless we deem it necessary?

Mr. CROWELL. It is in your hands.

Mr. ADCOCK. I do not want to disclose anything by my questions. Anything in the report I will treat in a confidential manner, but I notice that you ask that it be treated as confidential, and I wanted to ask you if in view of the fact that the charges made here against Mr. Trainer to the effect that he had something to do with the disapproval of this hospital project in your department or otherwise, the War Department, and inasmuch as Col. Starrett was asked to make a report to you in regard to this, whether it is not fair that the re-



port go in so that it may be shown that the Secretary acted upon certain investigations in reference to the Speedway project, and not upon any matters that Mr. Trainer had anything to do with.

Mr. CROWELL. As I have already stated I am perfectly willing to leave it to the committee. My judgment would be that it is a confidential report.

Mr. ADCOCK. Merely because it was a confidential report?

Mr. CROWELL. Merely because it was a confidential report, and in those reports personal matters are often treated in a way that they would not be treated if the report was open, and anybody who reads the report would see that that is exactly what has happened.

Senator FRANCE. Now, I have not examined this report, but just glancing at it it seems to me that practically all these points have been covered by the evidence.

Mr. ADCOCK. That is the reason I can not see why the report should not go in too.

Senator FRANCE. Because there is a report here, a report of a confidential nature, written by an officer of the Government, made to the Secretary as a result of his personal request, and it might better not be published as the facts have been brought out in another way. If the facts have been brought out—we only want the facts—it is not necessary for us to know whether any particular man in any particular way made any particular report covering those facts, if we already have the facts.

Mr. ADCOCK. It is important, so far as this case is concerned, in connection with the serious charges that have been brought against Mr. Trainer, that it should be shown that the report was made to the Secretary, and the contents of the report, because it establishes the reason—certain reason—why this matter was taken up for further consideration, that the Secretary had in mind acting on the matter. Now, of course, anyone who reads the report very carefully will see that.

Senator FRANCE. The committee feels that for the time being this report should be kept confidential until we have had opportunity to examine it.

Mr. ADCOCK. I would like, not in public, but at the proper time, when it is agreeable to counsel, argue the question, and I would like the Secretary to consider the question that I put to him with reference to the advisability of the report going in, and consider whether the Secretary would, after going over the matter, withdraw the request that it be kept confidential.

Senator FRANCE. The counsel understands that any of these facts are subject to inquiry, and any witness may be subject to examination on these facts. It is not the desire of the committee to suppress any facts. But we can not see the propriety of putting in the record a statement of those facts made by a particular individual to the Secretary of War, when the statement was made in a confidential manner.

The counsel on both sides are familiar with the facts contained in that report, and it seems to me they all can be brought out without the communication being put in the record.

Mr. ADCOCK. The important consideration I had in mind was this, was the fact that there was a report made, and that there were cer-

tain statements made in the report, and that necessarily the Secretary would take those into consideration in supporting his position.

Senator FRANCE. The matter will be considered. We have not a full subcommittee at present, and do not care to have this go into the record until the committee has had an opportunity to consider it.

Mr. ADCOCK. If the Secretary would withdraw the request that it be kept confidential, that would have something to do with the consideration as to whether it might go in.

Senator FRANCE. Certainly. If he wants to, he can withdraw his request.

Will you proceed?

Mr. ADCOCK. I think I have practically concluded.

Senator FRANCE. That will be all, Mr. Secretary. We thank you for your attendance.

Mr. BENNET. Just one more question. Did Mr. Jarvis Hunt ever discuss this Speedway project with you?

Mr. CROWELL. No; not that I recollect.

Mr. BENNET. And you intended by your reply to cover all the time between the 3d of September and the 24th of October?

Mr. CROWELL. I saw him only once during that time.

Mr. BENNET. And at that time he did not discuss it.

Mr. CROWELL. I have not the slightest recollection of discussing it.

Mr. ADCOCK. He merely discussed his own hospital plans?

Mr. CROWELL. I do not think we went far into that. My recollection is that we were talking over old times practically all the time he was there. I think he discussed it with Mr. Hare.

Mr. ADCOCK. I just want to ask one more question. Did you or your office ever disclose the project that came in recommended by other departments?

Mr. CROWELL. Yes.

Mr. ADCOCK. In other words the projects that were recommended by the different departments were not necessarily approved or the contract signed by you?

Mr. CROWELL. A great many were not.

Senator LENROOT. I do not know—has it appeared, Mr. Secretary, just what position Col. Starrett occupied in your organization?

Mr. CROWELL. He was not in our organization. He was at that time detailed to the War Industries Board, but he happened to be available, and as I had the greatest confidence in him, I asked him to go out. Mr. Baruch released him for that purpose.

Mr. ADCOCK. And it was after Col. Starrett went out to make this investigation—after you had talked to Mr. Baruch, I understood you to say that Mr. Baruch suggested an investigation should be made?

Mr. CROWELL. Yes. As I said before, he was the first one who called this to my attention, by calling me on the telephone and stating that the War Industries Board has passed the project under protest and now wished the thing to be held up.

Mr. ADCOCK. Do you know what the protest was; did he state?

Mr. CROWELL. My recollection was that under the rules at that time the materials had to be sanctioned by the War Industries Board, and that this project had been started without that, and that the project referred to that. I am not sure. I never have had any other information about it.

Mr. ADCOCK. Of course at that time it was the policy to conserve steel as much as possible, was it not?

Mr. CROWELL. All materials were cleared through the War Industries Board, and we never went ahead until such clearance had been obtained.

Mr. ADCOCK. That is, the War Industries Board had to do with the mobilization of materials, so to speak, for governmental purposes?

Mr. CROWELL. Yes.

Mr. BENNET. Did the War Industries Board clear this project? Did the War Industries Board have anything to do with the enterprise.

Mr. CROWELL. They cleared it, and then, as I stated, he called me up on the telephone and asked me to hold it up.

Mr. BENNET. But they never revoked their clearance?

Mr. CROWELL. Not that I know of.

Mr. ADCOCK. Did they ever revoke the request to hold it up?

Mr. CROWELL. No.

Mr. BENNET. You went ahead on the 26th of September—you acted?

Mr. CROWELL. Yes.

Mr. BENNET. As a matter of fact, that was entirely irrespective of Mr. Baruch's suggestion, was it not?

Mr. CROWELL. If my action had been to approve it, I should have reported it back to him before approving. But as my action was to disapprove, it was in harmony with the idea he expressed, and I did not call him up.

Mr. ADCOCK. He asked you to look into the matter?

Mr. CROWELL. He practically put a stop order on it.

Senator LENROOT. Mr. Secretary, you are familiar with the Starrett report. I have just seen it for the first time.

Mr. CROWELL. I have read it. I can not say that I know it by heart.

Senator LENROOT. In your action disapproving this, was your action based in any degree upon the Starrett report?

Mr. CROWELL. I do not see that the report had much to do with it.

Senator LENROOT. You would not say that your action, then, was based upon this report in any degree?

Mr. CROWELL. No; it was based upon the figures which I have given you.

Senator FRANCE. The Secretary has testified that he relied principally upon his personal organization, headed by Mr. Hare, in reaching conclusions upon this project.

Mr. CROWELL. My recollection of Col. Starrett's report was that he came back and made a brief verbal report to me.

Senator FRANCE. It is presumed that you relied upon Mr. Hare, and perhaps his judgment may have been influenced by this report?

Mr. CROWELL. It may or it may not.

Senator LENROOT. It becomes of some importance in the committee's action whether or not to treat this confidential as to whether you relied upon it or not.

Mr. CROWELL. I think it was given consideration, but as I recall it I can not remember that it had any great bearing.

Senator LENROOT. Let me follow it by this question. Is there anything in this report of a confidential nature that you relied upon that moved you in the rejection?

Mr. CROWELL. No; I think not.

Senator LENROOT. You are positive of that?

Mr. CROWELL. No; I can not say that I am positive of that. The matter that I considered as confidential was his observations on persons, and I can not say that they had anything to do with it.

Senator LENROOT. That was my question, they did not move you in any way, any observations that he made as to anybody; they did not influence you?

Mr. CROWELL. No; and yet I will have to qualify that, because my first report on the Shank Co. was nowhere near as favorable as the report which you see Col. Starrett made. He made a very favorable report.

Senator LENROOT. You were not moved to adverse action by anything of personal observation in the Starrett report?

Mr. CROWELL. No; I think that is correct. I was not.

Mr. ADCOCK. May I put this hypothetical question to you? If the Speedway tract had been presented to you as a matter which had been taken up with the Government by the owners of the property, more or less from a charitable standpoint, and if they were not to make any money out of it, and if you had information that it was a business proposition, and that they would probably make money out of it, and perhaps be a good thing for the Government, too, would that have anything to do with your determination as to whether or not you would approve the project, the second project?

Mr. CROWELL. I do not think so.

Mr. ADCOCK. It would not make any difference?

Mr. CROWELL. I do not see how it could.

#### TESTIMONY OF DR. PAUL B. MAGNUSON, CHICAGO, ILL.

(The witness was sworn by Senator France.)

Mr. ADCOCK. Will you state what you had to do with the so-called project for the construction of a hospital at the Cubs' baseball park in conjunction with the Government?

Dr. MAGNUSON. I understood that certain gentlemen who were to put up some money to take care of the excess cost over a certain amount, and in June, 1917, I learned that the Government had appropriations for only temporary buildings, and knowing that the Chicago district would have to have a hospital, I conceived the idea that if the State could furnish the difference between the cost of temporary buildings and the cost of permanent buildings, that the State would benefit in the erection of a large hospital for use as a teaching hospital in connection with the University of Illinois, and for a consultation hospital, and a reconstruction hospital for the very large number of cases that we had in Illinois.

I went to Mr. Insul, who was chairman of the State council of defense, and proposed this thing to him, afterwards going to Canada to make a report on their hospital, and took it up, and upon my return, which was in the latter part of August, I submitted my report to the State council of defense. It came out that there would

have to be a special session of the State legislature in order to get this money. Soon after that I came down here to Washington and went into the service. I was in the Surgeon General's office, and a little after I came here I was put in the hospital division.

I got in communication with these people in Chicago before long, and in the early part of November I got leave to go back to Chicago; and at that time, knowing that I could not handle the thing, I went to see Mr. Trainer, whom I knew to be a large real estate operator, and asked him if he would give his services to further this project. Mr. Trainer went over the thing with me. I gave him a report on the thing and my ideas, and asked him in view of the fact that the State could not give the money unless they had a special session of the legislature, whether he would try to find some gentlemen who were willing to put up the difference between the cost of the temporary buildings and the cost of the permanent buildings? Mr. Trainer started out on this thing, and in February, when I was ordered out on some other Government business, I went down to see Gov. Lowden and Mr. Charles Thorne—

Mr. ADCOCK. Gov. Lowden, of Illinois?

Dr. MAGNUSON. Yes, sir.

Mr. ADCOCK. Charles Thorne. What is his position?

Rr. MAGNUSON. Director of the public welfare of the State of Illinois.

I interested them in the thing and came back and told Mr. Trainer what I had done. Both of these gentlemen were extremely interested and expressed regret that it was necessary for the Government to spend \$2,000,000 or \$2,500,000 for beds which could so well be used, and then tear them down and throw them away at the end of the war.

I think it was in the latter part of January, or the very early part of February, that I was taking dinner with some gentlemen and telling them of this plan. One of them was Mr. Shank, and some one suggested, "Why not build the thing out at the Speedway?" I had never been out at the Speedway, and the next day, or several days afterwards, these gentlemen came to the Surgeon General's office and submitted some figures on the Speedway proposition.

There were 263 acres of land listed at \$3,600 an acre. There were improvements listed at \$700,000—no; that was material, \$700,000; and improvements at \$300,000. Then having added to that for the construction of a hospital \$1,000,000.

When I was in Chicago in February Mr. Hodge's partner, who is one of these gentlemen I was taking dinner with, and Mr. Barth, partner of Mr. Hines, called for me with an automobile on Sunday morning and took me out to look over the Speedway proposition.

Mr. ADCOCK. If Mr. Barth is not a partner of Mr. Hines, will you correct that?

Mr. BENNET. He is vice president of the Edward Hines Lumber Co. That is correct enough.

Dr. MAGNUSON. I looked over the thing and found fault with it from this standpoint: That it was a long way from town, the transportation was poor, and if considered as a State hospital proposition it would be a very poor location, because the University of Illinois is near the Cook County Hospital.

Mr. ADCOCK. That is the medical school?

Dr. MAGNUSON. The medical school; and if you are going to get doctors who have a practice in town it is necessary to have the hospital somewhere within comparatively easy reach. On the other hand, we had contemplated making it an emergency hospital in a way, to take care of Chicago. Seventy per cent of the accident cases in Illinois occur in the Chicago district, and I felt that it would be a mistake to put that kind of a hospital so far from the center of population. A serious accident case might die or get well on the way out in the ambulance. It would be a considerable drive.

I reported to Col. King on the proposition, and told him that, probably, a hospital could be erected here in a short time. Mr. Shank told me at that time 90 days, and that if we were in a hurry for a hospital it would not be a bad proposition, so far as the Government was concerned, but so far as the State was concerned I would not be personally interested in it.

I had a talk soon after that with Col. Billings, who came in as head of the hospital division.

Mr. ADCOCK. Frank Billings?

Dr. MAGNUSON. Yes; Dr. Frank Billings, of Chicago; and told him that Mr. Trainer had interviewed a number of gentlemen, who agreed to put up the difference between the cost of the temporary and the cost of the permanent structures. One of them was Mr. Armour, and on the trustee committee was Gov. Lowden and Mr. Charles Thorne and President James, of the University of Illinois, and Mr. Dunham, and several other gentlemen.

Mr. ADCOCK. Mr. Reynolds?

Dr. MAGNUSON. Yes; Mr. George M. Reynolds. Mr. Trainer had gone about getting that money in this way: He had just interested Mr. Armour for half a million dollars and then had seen these other gentlemen, and raised a hundred thousand dollars each from them. I talked to Col. Billings about it. He said, "Now, you get that in writing, so that we will have something definite to work on." So in April, after these things had been all talked over and written about, I wrote to Mr. Trainer and said that Col. Billings, with whom I had talked, had said to get these offers in writing. Col. Billings, I believe, was favorable to the plan, and was a man of action, and I thought that we could get the thing through.

In May I was ordered away by the Surgeon General's Office to take charge of the wounded coming back from abroad at the port of New York. I was back at the Surgeon General's Office off and on for the next six months. I would get 24 hours' leave and come down. On the occasion of my June trip—I do not remember just when that was, but it was some time after the meeting of the American Medical Association in Chicago—I talked to Col. Billings about this thing, and he said, "Your proposition to build that building on the Cub baseball Park I do not approve, because I think there is too little ground around there." He said that they had looked at a place out west of the Speedway Park—

Mr. TRAINER. Columbus Park.

Dr. MAGNUSON. Columbus Park, the new park that the State appropriated the money for. He said that this place would give us more ground, and I said to him at that time, "Well, Speedway Park

will not be much good to the State, and my opinion is that if we go away out to Speedway Park, that the gentlemen who are going to give this money will not give the money." So I think that ended our June conversation. He told me at that time that he and Gen. Noble and Gen. Gorgas and Gov. Lowden and Mr. Armour had gone over this thing while they were at the Chicago medical meeting, and I went back to New York at that time. In August when I was here, or July, I learned that that proposition had been turned down by the Secretary of War on the basis that it would be entering into an agreement for which there was no precedent, but it had been referred to some legal department and they thought they could not enter into that kind of an agreement with a private individual or State.

I had heard nothing about the Speedway proposition from that time until the latter part of August, when I was here. I was taking lunch at the Raleigh Hotel, and I saw Mr. Shank and Mr. Newman, and went over and spoke to Mr. Shank, and he said, "Well, I think we are going to have some hospitals at the Speedway." And I said, "Why, is that concluded?" He said, "No; the contract has not been signed yet, but we expect it to be signed in a few days, and we are going to start work on it anyhow." I asked him for some of the details, and he told me what they were, and I told him I was very glad they were going to get a fireproof hospital. I was sorry that it was so far out that we could not use it for medical-school purposes. I think that is about all of my connection with the whole matter. I do not remember anything else.

Mr. ADCOCK. Mr. Trainer was on this matter with you from about the same time in November?

Dr. MAGNUSON. In the early part of November was when I took it up with him first, and I was in constant communication with him about it from that time until it was finally turned down by the Government.

Mr. ADCOCK. He carried on negotiations with the State, Mr. Thorne, Mr. Lowden, and the gentlemen who were to put up the money?

Dr. MAGNUSON. Yes, sir. He was the man who got the money and got the statement from those gentlemen in writing.

Mr. ADCOCK. And he had consultations with you and Dr. Billings?

Dr. MAGNUSON. Yes, sir.

Mr. ADCOCK. And others—Gen. Gorgas?

Dr. MAGNUSON. Yes; he was in connection with Gen. Gorgas and then Gen. Noble, I think.

Mr. ADCOCK. I just wanted to identify a letter—I have not the original—whether this is a copy of a letter you received from Mr. Trainer the 28th of June, 1918. I will not offer it now. You can look at it if you wish. (A letter was shown to witness.)

Dr. MAGNUSON. Yes; I got this letter.

Mr. BENNET. Did you say that I might look at it?

Mr. ADCOCK. Yes.

I think that is all.

Mr. ADCOCK. You know Mr. Trainer pretty well, do you?

Dr. MAGNUSON. I do now.

Mr. ADCOCK. When did you first meet him.

Dr. MAGNUSON. Well, I think I first met Mr. Trainer about eight years ago, when I first went to Chicago, at a club I belonged to at that time, and I saw him from that time until I went into the Michigan Boulevard Building, when I used to see him in and out of the barber shop. That is about the only time until we started this.

Mr. ADCOCK. Do you know his reputation for honesty and integrity?

Dr. MAGNUSON. Yes; that is one of the reasons why I went to Mr. Trainer. I knew he was a man of very high reputation. I knew that he was connected with some big real estate operations for some of the biggest banks. I heard that from Barth, in his talk about, among my friends. If he was public spirited enough to give his time, that was what I wanted of him. Some do not want to bother with anything there is not a profit in.

Mr. BENNET. Do you want to put this letter in the record?

Mr. ADCOCK. I will introduce it later. I would like to have it marked for identification.

(The letter was marked Exhibit "Magnuson" for identification.)

Mr. ADCOCK. That is the letter that you have just had in your hand?

Dr. MAGNUSON. Yes, sir.

Mr. ADCOCK. That is a copy of a letter that was sent to you by Mr. Trainer which you received under date of June 28, 1918?

Dr. MAGNUSON. Yes, sir.

Mr. BENNET. You are not putting the letter in?

Mr. ADCOCK. No.

Mr. BENNET. What was the objection to the Cubs Baseball Park for the purpose of a hospital?

Dr. MAGNUSON. There was not land enough for the proposed hospital. Col. Billings had in mind some agricultural work in connection with the reconstruction hospital, and he wanted to have this in conjunction with the hospital for a State hospital where the cases are acute. You see there is a great difference between a Government hospital and a State hospital. About 90 per cent of the men in Government hospitals are running around, ambulatory, who are not sick. In a hospital like Cook County, where there are acute cases coming there and going home when they begin to improve. But in a Government hospital they stay until returned to duty or discharged. So there is a difference in the two things.

Mr. BENNET. In order to carry out this idea of Dr. Billings, was any attempt made to get options on adjoining property to the Cubs Ball Park?

Dr. MAGNUSON. No; there was not, so far as I know, because the land was not suitable for farming purposes, and that was what Dr. Billings wanted.

Mr. BENNET. So far as you know, did anyone get any option on the Cubs' ball park or any of the adjoining property in connection with his hospital project about that time?

Dr. MAGNUSON. Well, I have no means of knowing.

Mr. ADCOCK. So far as you know.

Mr. BENNET. So far as you know.

Dr. MAGNUSON. No; not so far as I know of my own knowledge.



Mr. BENNET. That is all.

Mr. ADCOCK. Dr. Magnuson, when you said you did not have any options on the Cubs' baseball park, do you know whether or not Mr. Thorne or anybody got options on the adjoining property?

Dr. MAGNUSON. Mr. Thorne told me—

Mr. ADCOCK. You do not know about it?

Dr. MAGNUSON. I do not know about it.

Mr. BENNET. Dr. Magnuson, did you express any opinion in relation to Col. Hornsby at the dinner that you had with Mr. Shank at the Raleigh Hotel?

Dr. MAGNUSON. Yes, sir; I did. I have on several occasions.

Mr. BENNET. Have you any objection to putting your opinion in the record?

Dr. MAGNUSON. It is only an opinion, you know, and it is not based on anything that I can prove.

Mr. BENNET. I will not ask you to call him any names. Do you regard him as a man of judgment—entirely trustworthy?

Mr. ADCOCK. I do not think that has any—I have no objection.

Dr. MAGNUSON. Well, you know a lot of us have opinions that we do not want to have put in print.

Mr. BENNET. You object to having it go in the record?

Mr. MAGNUSON. Yes; I would not like to have it go into the record. (Thereupon, at 1.35 o'clock p. m., the subcommittee adjourned until Monday, February 3, 1919, at 10.30 o'clock a. m.)

## MILITARY HOSPITALS.

MONDAY, FEBRUARY 3, 1919.

UNITED STATES SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON  
PUBLIC BUILDINGS AND GROUNDS,  
*Washington, D. C.*

The subcommittee met, pursuant to adjournment, in the committee room in the Capitol, at 10.30 o'clock a. m., Senator Thomas W. Hardwick presiding.

Present: Senators Hardwick (acting chairman), Beckham, France, and Lenroot.

Senator HARDWICK. At the last session one of the witnesses was requested, I think, to bring in certain lists of hospitals. Maj. Holden, I believe that request was made of you by Senator France.

Mr. HOLDEN. Yes; to bring in the report of the Trainer Hospital Commission, so-called, and the Hornsby Commission.

Senator HARDWICK. Yes. You have those reports with you?

Mr. HOLDEN. I have them, and in addition to that the Senator requested me to bring a list of other medical leases that we knew about. There is the report of the Noble-Trainer Commission [exhibiting report to subcommittee]. Most of these leases were canceled, and a notation to that effect was made. This is the Hornsby Commission report. Most of those on the Hornsby Commission list were canceled after the armistice.

Senator HARDWICK. The report shows in each case where it was canceled?

Mr. HOLDEN. Yes, sir; and here is a photostat copy of all the leases of property taken for distinctively hospital purposes that we have been able to get. It does not include the camp hospitals, or permanent Government-owned property.

Senator HARDWICK. Just give those to the reporter, and he will insert them in the record.

Senator FRANCE. Do these lists also include purchases, or only leases?

Mr. HOLDEN. There was nothing purchased by the Medical Corps up to date. This list was made up around the 1st of December. I think it is substantially correct. There probably will be some little changes.

Senator FRANCE. Major, in glancing over this, I do not see the Greenhut property.

Mr. HOLDEN. That was not made by the commission, Senator. That was what you asked about. I will show you where it is.

Senator FRANCE. We will look it up. We will undoubtedly find it.

Mr. HOLDEN. Yes; it is called the Big Store Building Co.

(The matter above referred to is, by order of the committee, here printed in full in the record, as follows:)

## MILITARY HOSPITALS.

Owner or lessor.	Location.	Character.	Use.			Normal patient bed capacity.	Lease signed by—	
			Hospital patient.	Nurse.	Barrack.		Les-sor.	Gov-ernment.
County of Westchester, N. Y.	East View, N. Y.	Westchester County almshouse, penitentiary, and power plant.	X.....	X.....	X.....	1,350	Yes.	Yes.
Commonwealth of Massachusetts.	Norfolk, Mass.	Norfolk State Hospital.	X.....	X.....	X.....	700	Yes.	Yes.
	Boston, Mass.	Commonwealth armory.	X.....		X.....	1,000	No.	No.
City of Rochester..	Rochester, N. Y.	Exposition park.	X.....	X.....	X.....	1,000	Yes.	Yes.
Henry Ford Hospital (Inc.).	Detroit, Mich.	Henry Ford Hospital.	X.....		X.....	2,000	Yes.	Yes.
Richman Bros. Co.	Cleveland, Ohio.	R. B. Co. factory building.	X.....			1,000	No.	No.
German Turnverein Society.	.....do.....	German Turnverein V. Club Building.			X.....		Yes.	No.
Ohio Bd. of Adm..	Columbus, Ohio.	State school for deaf.	X.....	X.....	X.....	1,500	Yes.	Yes.
City of Cincinnati..	Cincinnati, Ohio.	East Side High School.	X.....			1,500	Yes.	No.
Cincinnati Apartment House Co.	.....do.....	Cincinnati Apartment House. <sup>1</sup>		X.....			No.	No.
City of St. Louis...	St. Louis, Mo.	City infirmary and west building of isolation hospital.	X.....	X.....	X.....	1,000	Yes.	Yes.
Galloway Memorial Hospital.	Nashville, Tenn.	Galloway Memorial Hospital.	X.....			500	Yes.	No.
State of Tennessee.	.....do.....	Tennessee School for Blind.	X.....			500	Yes.	No.
City of Nashville..	.....do.....	Montgomery Bell Academy.			X.....		Yes.	No.
Vanderbilt University.	.....do.....	Nurses' Home.		X.....			Yes.	No.
Nashville College for Young Women (Inc.).	.....do.....	Nashville College for Young Women.					Yes.	No.
Baptist Bible Institute (Inc.).	New Orleans, La.	Baptist Institute.	X.....	X.....		600	Yes.	No.
Tulane University	.....do.....	1236 Fourth Street and 1230 Sixth Street, residences.		X.....			Yes.	No.
Whitney Central Trust & Savings Bank, trustees.	.....do.....	1137 Sixth Street, residence.			X.....		Yes.	Yes. <sup>2</sup>
Board of managers.	Roman Catholic Orphan Asylum, New York City (under consideration).	Asylum.....	X.....			2,300		
City of New York..	Riverside Hospital, North Brothers Island.	Hospital.....	X.....	X.....	X.....	1,000		

<sup>1</sup> Barracks for enlisted men if required later.<sup>2</sup> This building is not completed and is being held subject to Government requirements.

MILITARY HOSPITALS.

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Effective leases beginning 10, 1919.	Rent for term.	Annual rent thereafter.	Termination notice.	Renewal period.	Construction cost estimated.	Rental and construction cost per bed.		Remarks.
						First year.	Subsequent.	
10, 1918	\$137,223.00	\$153,882.00	Days. 10	18 months after war.	\$285,000	\$275.72	\$113.91	
1, 1918	1.00	1.00	30	.....do.....	120,000	None.	None.	
ys after close of spital disment. 9, 1918	18,056.00	25,000.00	30	12 months after war.	65,000	\$83.00	\$25.00	Canceled.
9, 1918	1.00	1.00	10	.....do.....	175,000	\$175.00	None.	Do.
3, 1918	1.00	1.00	10	18 months after war.	75,000	None.	None.	
15, 1918, after.	1.00	1.00	30	90 days after war.	65,000	\$72.82	\$156	Do.
15, 1918	2,685.00	1,560.00	10	6 months after war.	5,000			
1, 1918	83,700.00	65,000.00	10	18 months after war.	75,000.00	85.80	43.33	Do.
.....	43,333.00	65,000.00	10	.....do.....	110,000.00	102.22	43.33	Do.
.....								Do.
15, 1918	52,425.00	12,000.00	10	June 30, 1925	65,000.00	137.42	12.00	
10, 1918	10,000.00	1.00	10	18 months after war.	175,000.00	261.05		Do.
15, 1918	1.00	1.00	10	12 months after war.	65,000.00		14.64	Do.
.....	1.00	1.00	10	18 months after war.	None.			Do.
.....	2,560.00	480.00	10	.....do.....	Nominal.			Do.
10, 1918	8,433.00	13,200.00	10	12 months after war.	None.			Cancellation under ne- gotia- tion.
.....	6,470.00	10,128.00	10	18 months after war.	55,000.00	105.70	20.98	
.....	920.00	1,440.00	10	.....do.....	Nominal.			Canceled.
.....	652.00	1,020.00	10	.....do.....	Nominal.	1,298.14	274.75	
.....	15,000.00	Same.						Do.
.....	383,600.00	1.00						Do.

<sup>3</sup> Lessor's copy signed, 5 copies unsigned.

<sup>4</sup> Per month.

Owner or lessor.	Location.	Character.	Use.			Normal patient bed capacity.	Lease signed by—	
			Hospital patient.	Nurse.	Barrack.		Lessor.	Gov-ern-ment.
A. West Baden Springs Hotel (Inc.).	West Baden, Ind.	Hotel.....	X.....			1,400	Yes.	Yes.
B. W. V. Troth.	do.	do.		200.			Yes.	Yes.
A. Cooper Monotah Hotel.	Forty-seventh Street and Drexel Boulevard, Chicago, Ill.	Apartment hotel.	X.....			625	Yes.	Yes.
B. Stillman, H. W.	1030-1032 East Forty-seventh Street, Chicago, Ill.	6-flat building.			X 100.		Yes.	Yes.
C. Harris, Hattie..	6530 Ellis Avenue, Chicago, Ill.	Residence.....			Officers, 15.		Yes.	Yes.
D. Harris, Emma G.	4520-4528 Drexel Boulevard, Chicago, Ill.	Residence and garage.		X 28.			Yes.	Yes.
E. Slaughter, A. O. (Mary Slaughter Field).	4548 Drexel Boulevard, Chicago, Ill.	Residence.....		X 42.			Yes.	Yes.
A. Ford Motor Co..	Milwaukee, Wis.	Manufacturing plant.	X.....			1,400	Yes.	Yes.
B. Badger State Sales Co.	do.	Garage.....			Kitchen and mess hall.		Yes.	Yes.
C. Brochman, Oscar.	do.	Store building.			X 200.		Yes.	Yes.
D. Ott, Charles....	do.	6-apartment building.		X 148.			Yes.	
Field Museum of Natural History.	Grant Park, Chicago, Ill.	Museum building.	X.....			4,000	Yes.	Yes.
A. Ford Motor Co..	Des Moines, Ia.	Manufacturing plant.	X.....			2,000	Yes.	Yes.
B. St. Catherine's Home for Working Girls.	do.	Catholic home.		X 148.			Yes.	
Rector of St. Patrick's Cathedral:								
(a) Rev. Lavelle.	New York, N. Y., Messiah Home.	Home for Children.	X.....				Yes.	Yes.
(b) Rev. Lavelle.	Estate of E. D. Camp, New York City.	Dwelling houses.			X.....		Yes.	Yes.
City of Boston....	Boston, Mass. (West Roxbury).	West department City Hospital, addition to General Hospital No. 10.	X.....			700		
(a) Mrs. M. L. Leonard.	Dallas, Tex., Camp Dick.	Group of buildings.	X.....			45		
(b) Mrs. B. F. Galloryse.	Camp Dick....	Part of house..		X.....			Yes.	Yes.
E. S. Clark.....	Cooperstown, N. Y.	Bassett Hospital.	X.....			185	Yes.	Yes.
City of Philadelphia.	Philadelphia, Pa., Byberry farm.	Buildings on farm.	X.....	X.....	X.....	600		
North Charleston, Corporation.	North Charleston, S. C.	292 acres land..	X.....					
Dunberry Milbank and wife.	Larencville, N. J.	Farm of 65 acres for convalescents.	X.....					

<sup>1</sup> Months.

\* Canceled as of Feb. 14, 1919; rent paid to date, \$13,284.24, \$900, and \$650.

# MILITARY HOSPITALS.

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Active and ending 1919.	Rent for term.	Annual rent thereafter.	Termination notice.	Renewal period.	Construction cost estimated.	Rental and construction cost per bed.		Remarks.
						First year.	Subsequent.	
5, 1918	\$88,541.61	\$124,900.92	Days. 16	June 30, 1923	901,700	\$133.50	\$82.10	
.....	2,832.88	4,041.72	60	.....do.....	3,018	.....	.....	
5, 1918	30,425.00	52,500.00	16	June 30, 1923	92,980	216.06	88.80	
1, 1918	2,000.00	3,000.00	16	.....do.....	3,300	.....	.....	
5, 1918	1.00	1.00	30	1 year after war.	2,165	.....	.....	
.....	1.00	1.00	30	Period of war, 1 year thereafter.	360	.....	.....	
.....	1.00	1.00	30	1 year after war.	.....	.....	.....	
1, 1918	31,538.24	41,084.36	60	June 30, 1922	188,496	172.57	37.50	(*)
.....	2,400.00	3,600.00	90	.....do.....	3,500	.....	.....	
.....	1,750.00	2,400.00	13	.....do.....	6,000	.....	.....	
1, 1918	3,266.62	10,000.00	30	.....do.....	3,500	.....	.....	
1, 1918	20,833.32	62,500.00	10	June 30, 1921	\$1,071,535	397.50	15.62	
1, 1918	53,729.06	83,535.60	60	June 30, 1922	300,000	177.35	46.76	(*)
1, 1919	4,166.66	10,000.00	180	June 30, 1924	None.	.....	.....	Canceled.
5, 1918	\$0.08 1/2 per month.	.....	30	Sept. 15, 1921.	.....	.....	.....	
1, 1918	.....do.....	.....	30	.....do.....	.....	.....	.....	
0, 1918	\$1 per year.	.....	30	1 year after war.	.....	.....	.....	
0, 1918	Feb. 1, 1918 - June 30, 1918, \$425.	1,020	30	June 30, 1919.	.....	.....	.....	
1, 1918	\$30 per month.	.....	30	End of war...	.....	.....	.....	
.....	\$1 per year.	1,020	30	1 year after war.	.....	.....	.....	
5, 1918	.....do.....	.....	90	.....do.....	.....	.....	.....	
1, 1918	.....do.....	.....	.....	.....do.....	.....	.....	.....	
1, 1918	.....do.....	.....	30	2 years after war.	.....	.....	.....	

\* Barracks construction, \$505,000.

\* Rent paid Feb. 15, 1919; canceled; paid, \$22,403.21.

Owner or lessor.	Location.	Character.	Use.			Normal patient bed capacity.	Lease signed by—	
			Hospital patient.	Nurse.	Barrack.		Lessor.	Government.
Board of Park Commissioners.	San Diego, Cal.	Exposition Buildings, Balboa Park.					Yes.	Yes.
Douglas Investment Co.	Douglas, Ariz.	Tract of land.	X site.				Yes.	Yes.
Elizabeth Moore.	Del Rio, Tex.	do.	do.				Yes.	Yes.
C. K. G. Billings.	Oyster Bay, Long Island, N. Y.	Farnsworth land.	X.			300		
J. Humphris.	Marfa, Tex.	Tract of land.	X site.				Yes.	Yes.
Sisters of Charity.	Vancouver, Wash.	Building called St. Vincent's Annex.		X, Vancouver Barracks.			Yes.	Yes.
Mrs. Martha P. Taylor.	Newport News, Va.	Tract of land, 10 acres.	X tent.			200	Yes.	Yes.
Agricultural Society of Queens, Nassau Co. (Inc.), Atlantic Division, Red Cross.	Camp Mills, Long Island.	Base hospital.				635	Yes.	Yes.
	Mineola, Long Island, N. Y.	Buildings.		X.			Yes.	Yes.
	Rockefeller Institute, New York, N. Y.	Auxiliary Hospital No. 1.				45		
St. Francis Sisters of Poor.	St. Mary's Hospital, Hoboken, N. J.	E. H. No. 1.	X.			782		
R. Stevens.	Castle Point, Hoboken, N. J.	Residence.	X, for office.					
R. H. Schwartz.	Hoboken, N. J.	Hall.			X.		Yes.	Yes.
70 Hudson Street (Inc.).	do.	Offices.		Office for Trans. S. & W. M. D.			Yes.	Yes.
C. Botjor.	do.	Office.					Yes.	Yes.
70 Hudson Street, (Inc.).	do.	Offices.		Trans. S. & W.			Yes.	Yes.
Platts deutsche Volksfest Verein.	North Bergen, N. J.	Schuetzen Park.	X.				Yes.	Yes.
New York Polyclinic Medical School and Hospital.	Secaucus, N. J.	E. H. 2.				270		
Do.	Hoffman Island, New York Harbor.	E. H. 3.				694		
Do.	Polyclinic Hospital, New York, N. Y.	E. H. 4.	Hospital.			600		
C. D. Duckee.	Fox Hills, Staten Island, N. Y.	D. H. 2.				1,808		
Do.	Staten Island,	Land.	Sewer r-f-w.				Yes.	Yes.
St. Johns Heights Realty Co.	do.	do.	X clearing.				Yes.	Yes.
M. Spagne.	do.	do.	do.				Yes.	Yes.
Everett Jenkins.	do.	do.	do.				Yes.	Yes.

Tents.

Date effective (all leases terminating June 30, 1919).	Rent for term.	Annual rent thereafter.	Termination notice.	Renewal period.	Construction cost estimated.	Rental and construction cost per bed.		Remarks.
						First year.	Subse- quent.	
July 1, 1918	\$2 per month.		Days. 5	June 30, 1920				
do.	\$37.50 per month.		5	do.				
do.	\$25 per month.		5	June 30, 1922				
Nov. 15, 1918	\$0.08 per month.		30	End of war.				
July 1, 1918	\$6.25 per month.		5	June 30, 1920				
July 13, 1918	\$400 per month.		5	do.				
July 10, 1918	\$267, Oct. 1, 1918, \$300, Jan. 1, 1919, Apr. 1, 1919, and July 1, 1919.		30	8 months after war.				
July 1, 1918	\$1,000 per month.		30	6 months after war.				
do.	\$116.67 per month.		30	June 30, 1919.				
	\$80,000 per year.							Lease not executed.
Aug. 1, 1918	\$0.08½ per month.		30	End of present emergency.				
July 5, 1918	\$225 per month.		30	do.				
Sept. 4, 1918	\$20 per month.		30	do.				
July 1, 1918	\$100 per month.		10	do.				
Aug. 15, 1918	\$60 per month.		30	do.				
July 1, 1918			60	6 months after war.				
Oct. 20, 1918	\$4,695.25 per month.		30	18 months after war.				
July 1, 1918	\$1 per year.		10	June 30, 1922				
do.	\$8.33½ per month.		10	do.				
do.	\$3.12½ per month.		10	do.				
do.	\$83.33½ per month.		10	do.				



Owner or lessor.	Location.	Character.	Use.			Normal patient bed capacity.	Lease signed by—	
			Hospital patient.	Nurse.	Barrack.		Lessor.	Government.
Bethlehem Orphan and Half Orphan Asylum of J. P. Wadsworth.	Staten Island.	Land	X clearing.				Yes.	Yes.
Italian National Rifle Shooting Society.	do.	do.	do.				Yes.	Yes.
C. Rosenberg estate.	do.	do.	do.				Yes.	Yes.
Corporation of Mount Mauress.	do.	do.	do.				Yes.	Yes.
Staten Island Midland Railway Co.	do.	do.	do.				Yes.	Yes.
W. D. Cuthbertson	do.	do.	do.				Yes.	Yes.
Gattoggis.	do.	do.	do.				Yes.	Yes.
F. Weber.	do.	Clifton, N. Y.	do.				Yes.	Yes.
W. Higgins.	Clifton, N. Y.	Land	do.					
M. A. Buskirk estate.	Staten Island.	do.	do.				Yes.	Yes.
R. Pansa.	do.	do.	do.				Yes.	Yes.
J. and R. Pansa.	do.	do.	do.				Yes.	Yes.
M. Litcell.	do.	do.	do.				Yes.	Yes.
G. Bozzo.	do.	do.	do.				Yes.	Yes.
T. H. Willshaw.	do.	Lot	do.				Yes.	Yes.
G. W. Vanderbilt.	do.	Land	do.				Yes.	Yes.
M. M. Brown.	do.	Lot	do.				Yes.	Yes.
S. E. Field.	do.	Lots	do.					
C. D. Durkee.	do.	do.	do.				Yes.	Yes.
D. C. Durkee.	do.	do.	do.				Yes.	Yes.
St. John's Heights Realty Co.	do.	do.	do.				Yes.	Yes.
F. A. Johnston.	do.	do.	do.				Yes.	Yes.
J. Litcell.	do.	do.	do.				Yes.	Yes.
Traveler's Insurance Co., of Hartford, Conn.	Fox Hills, Staten Island, N. Y.	do.	do.				Yes.	Yes.
F. La Penna.	Clifton, N. Y.	do.	do.				Yes.	Yes.
N. Cameron.	Staten Island, N. Y.	Tract of land.	do.				Yes.	Yes.
E. White and M. White.	Clifton, N. Y.	do.	do.				Yes.	Yes.
Big Store Realty Co.	Greenhut Building, New York, N. Y.	D. H. No. 3; business building.	X.				Yes.	Yes.
Mutual Life Insurance Co.	New York, N. Y.	Business building.			Quarters		Yes.	Yes.
C. E. Mailing et al.	New York, N. Y., Trowart Inn.	Inn.		X home.			Yes.	Yes.
First Natl. Bank, Cincinnati, Ohio.	Cluett Building, New York, N. Y.	Business block.		X quarters.				
W. H. Barse.	Nassau Hotel, Long Beach, Long Island.	D. H. No. 4, hotel.	X.			1,500		Yes.
Merchants & Manufacturers Association.	Grand Central Palace, New York, N. Y.	D. H. No. 5, business building.	X.			3,300	Yes.	Yes.

# MILITARY HOSPITALS.

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1919

Active assess- ment (1919).	Rent for term.	Annual rent thereafter.	Termi- nation notice.	Renewal period.	Construc- tion cost esti- mated.	Rental and con- struction cost per bed.		Remarks.
						First year.	Subse- quent.	
1918	\$1 per year.		Days. 10	June 30, 1922				
	\$145.83 per month.		10	do.				
	\$83.33 per month.		10	do.				
	\$6.66 per month.		10	do.				
	\$1 per year.		10	do.				
	\$116.67 per month.		10	do.				
	\$300 per year.		10	do.				
	\$15.41 per month.		10	do.				
	\$4.16 per month.		10	do.				
	\$166.66 per month.		10	do.				
	\$50 per year.		10	do.				
	do.		10	do.				
	\$40 per month.		10	do.				
	\$50		10	do.				
	\$125 per month.		10	do.				
	\$83.33 per month.		10	do.				
	\$2.08 per month.		10	do.				
	\$28.33		10	do.				
	\$83.33 per month.		10	do.				
	\$25 per month.		10	do.				
	\$83.34		10	do.				
	\$1 per year		10	do.				
	\$7 per month.		10	do.				
	\$125 per month.		10	do.				
	\$4.16 per month.		10	do.				
	\$125 per month.		10	do.				
	\$4.16 per month.		10	do.				
	\$25,000 per month.		10	June 30, 1925				
1918	\$0.08 per month.		30	End of war.				
1918	\$1,958.33 per mo.		30	June 30, 1922				
	\$76,500 per year, \$20,000 to put out ten- ants.		30	Year after war.				
1918	\$8,750		60	June 30, 1922				
1918	\$32,886.46 per mo.		16	Termination of emer- gency.				

Months.

Owner or lessor.	Location.	Character.	Use.			Normal patient bed capacity.	Lease signed by	
			Hospital patient.	Nurse.	Barrack.		Les-sor.	Gov-ern-ment.
Cape May Hotel Co.	Cape May, N. J.	G. H. No. 11.	X.			700	Yes.	Yes.
Denver Civic & Commercial Association.	Denver, Colo.	Land, G. H. No. 21.	X.					
Do.	do.	G. H. No. 21, R. R. right of way.						
Richmond College.	Richmond, Va.	College G. H. No. 22.	X.			1,000	Yes.	Yes.
Do.	do.	1 Bosturek Lane.			Office quarters.		Yes.	Yes.
Richmond College & R. E. Loring.	do.	2 Bosturek Lane.			do.		Yes.	Yes.
Richmond College & R. E. Gaines.	do.	3 Bosturek Lane.			do.		Yes.	Yes.
J. E. Rumbough.	Hot Springs, N. C.	Hotel, G. H. No. 23.				600	Yes.	Yes.
County Commissioners.	Parkview Station, Pittsburgh, Pa.	G. H. No. 24.	X.			200		
W. H. Henderson et al.	Hoboken, Pa.	Warner Station Home.	X.			600	Yes.	Yes.
I. L. Goldman.	Carlisle, Pa.	G. H. No. 31.				35		
K. Nehrbas.	do.	40 acres.	X additional.			500		
F. C. M. Carlsen.	Williammabridge, N. Y.	General Hospital No. 1.				1,082		
A. L. Arnold.	New York City, N. Y.	Residence.					Yes.	Yes.
F. S. and F. Squires.	do.	do.					Yes.	Yes.
E. Staib.	do.	do.					Yes.	Yes.
A. C. and N. M. Cannon and D. A. Donovan.	do.	do.					Yes.	Yes.
F. S. and F. Squires.	do.	do.					Yes.	Yes.
A. R. O'Hagan.	do.	do.					Yes.	Yes.
C. D. Freeman.	Colonia, N. J. (Rahway).	General Hospital No. 3.				1,600		
	Roland Park, Md.	General Hospital No. 7.				102		
	Otisville, N. Y.	General Hospital No. 8.				579		
Borden Milk Co.	do.	Warehouse.			Ware-house.			
O. S. Greenleaf.	do.	Land tract.	Building Hospital	Site.				
Craig, James.	do.	Estate.						
	do.	Land.	Power plant.					
Resort Hotel Co.	Lakewood, N. J.	Hotel, G. H. 9.	Hospital			932	Yes.	Yes.
Roy Rainey.	do.	Residence.	Officers' quarters.					
James O'Connell.	do.	Hotel.	do.					
Lakewood Hotel Co.	do.	Land.	Outbuildings.				Yes.	Yes.
K. Woehrand Husband.	do.	Hotel.					Yes.	Yes.
Lakewood Hotel Co.	do.	Land.					Yes.	Yes.
H. B. Brigham Hospital.	Boston, Mass.	General Hospital No. 10.						
	do.	Hospital.				500	Yes.	Yes.

MILITARY HOSPITALS.

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Effective leases starting (30, 1919).	Rent for term.	Annual rent thereafter.	Termi- nation notice.	Renewal period.	Construc- tion cost esti- mated.	Rental and con- struction cost per bed.		Remarks.
						First year.	Subse- quent.	
1, 1918	\$4,166.66 per mo.		Days. 30	1 year after war.				Under pur- chase by Real Es- tate Sec- tion.
do.	\$1 per year							
1, 1918	\$12,500 per month.		30	3 months af- ter war.				
1, 1918	\$83.33 per month.		30	do.				
do.	\$100 per month.		30	do.				
do.	\$100 per month.		30	do.				
1, 1918	\$1,500 per month.		30	1 year after end of war.				
do.	\$1 per year		10	End of war.				
1, 1918	\$33.33 per month.		90	1 year after war.				
1, 1918	\$100 per month.		30	June 30, 1920				Government permit. Leasenot drawn. do. do.
do.	do.		30	do.				
do.	do.		30	do.				
do.	do.		30	do.				
do.	do.		30	do.				
do.	do.		30	June 30, 1920				
do.	do.		30	do.				
do.	do.		30	do.				
do.	84 cents per month.		10	June 30, 1922				
	\$120		30					Government permit. Leasenot drawn. do. do.
	\$700 per month.		90					
	\$22.60 per month.							
1, 1918	\$4,166.66 per month		10	1 year after war.				
18, 1918	\$1 per year.		60	End of war.				
1, 1918	\$458.33 per month.		30	2 years after war.				
18, 1918	\$1 per year.		15	1 year after war.				
1, 1918	\$666.66 per month.		15	June 30, 1928				
28, 1918	\$1 per year.		30	1 year after war.				
1, 1918	\$55,000 per year.		90	1 year after war.				

Owner or lessor.	Location.	Character.	Use.			Normal patient bed capacity.	Lease signed by—	
			Hospital patient.	Nurse.	Barrack.		Lessor.	Government.
Woman's Charity Club.	Boston, Mass.	Hospital					Yes.	Yes.
Kennilworth Co.	Biltmore, N.C.	Inn, General Hospital 12.				451	Yes.	Yes.
Biltmore estate	do.	Dwelling	Officers' quarters.				Yes.	Yes.
B. Holland.	do.	do.	do.				Yes.	
S. M. Stevens.	do.	do.						
E. C. Hester.	do.	do.					Yes.	Yes.
J. M. Chiles.	do.	do.					Yes.	Yes.
Jackson Sanitarium.	Dansville, N. Y.	Health resort G. H. No. 13.	X.			300	Yes.	Yes.
Corpus Beach Hotel & Land Co.	Corpus Christi, Tex.	Hotel, G. H. No. 15.	X.			252	Yes.	Yes.
J. C. Daugherty.	do.	Dwelling			Officers		Yes.	Yes.
W. F. Chadwick.	do.	do.			do.		Yes.	Yes.
R. King, Jr.	do.	do.			do.		Yes.	Yes.
J. Mirsch-R. Briscoe.	do.	Land	Drill grounds.				Yes.	Yes.
Corpus Christi Commercial Association.	do.	do.	do.				Yes.	Yes.
Roy Miller.	do.	Dwelling			Officers		Yes.	Yes.
T. H. Randall.	do.	do.			do.		Yes.	Yes.
W. W. Jones.	do.	do.			do.		Yes.	Yes.
Kennedy Pasture Co.	do.	Office building	Store-house.		do.		Yes.	Yes.
Wm. Nagel.	New Haven, Conn.	G. H. No. 16.	X.			500		
Wm. W. Lines.	Orange, Conn.	Hospital site.	X.				Yes.	Yes.
Rev. Marenhino.	do.	do.	X.				Yes.	Yes.
G. H. Society of Connecticut.	West Haven, Conn.	Buildings.	X.				Yes.	Yes.
J. G. and C. King.	New Haven, Conn.	Land	Drill grounds.				Yes.	Yes.
Markleton Hotel Co.	Markleton, Pa.	Sanitarium, G. H. No. 17.	X.			130	Yes.	Yes.
M. B. Barnett.	do.	Dwelling		X.			Yes.	Yes.
H. J. Sloane.	Waynesville, N. C.	Hotel, G. H. No. 18.	X.			200	Yes.	Yes.
Mrs. J. H. Howell.	do.	Dwelling			Officers		Yes.	Yes.
S. C. Satterthwaite.	do.	do.			do.		Yes.	
B. F. Smathers.	do.	do.		X.			Yes.	Yes.
Haywood Co., Stock Raisers & F. Assoc.	do.	Fairgrounds.			Officers			
H. J. Sloane.	do.	Land	X.				Yes.	
T. N. Massie.	do.	Building			Store-house.		Yes.	Yes.

# MILITARY HOSPITALS.

495

No. of beds.	Rent for term.	Annual rent thereafter.	Termination notice.	Renewal period.	Construction cost estimated.	Rental and construction cost per bed.		Remarks.
						First year.	Subsequent.	
12	\$306.33 per month.	.....	Days. 90	1 year after war.	.....	.....	.....	
12	\$2,583.33 to Jan. 31, 1919.	.....	90	.....	Rent \$6,260 from February 1919,	.....	.....	
...	\$83.33 per month.	.....	.....	June 30, 1920	.....	.....	.....	
12	\$135 per month.	.....	60	1 year after war.	.....	.....	.....	
12	\$175 per month.	.....	30	June 30, 1921	.....	.....	.....	
...	\$125 per month.	.....	30	June 30, 1926	.....	.....	.....	
12	\$150 per month.	.....	30	June 30, 1924	.....	.....	.....	
12	\$1,666.66 per month.	.....	30	1 year after war.	.....	.....	.....	
2	\$500 per month.	.....	30	June 30, 1923.	.....	.....	.....	
...	\$25 per month.	.....	10	do.	.....	.....	.....	
...	\$40 per month.	.....	10	do.	.....	.....	.....	
...	\$60 per month.	.....	10	do.	.....	.....	.....	
...	\$50 per month.	.....	10	do.	.....	.....	.....	
...	\$38 per month.	.....	10	do.	.....	.....	.....	
...	\$60 per month.	.....	10	do.	.....	.....	.....	
...	\$25 per month.	.....	10	do.	.....	.....	.....	
...	\$30 per month.	.....	10	do.	.....	.....	.....	
...	\$40 per month.	.....	30	do.	.....	.....	.....	
...	\$50 per year.	.....	5	June 30, 1923.	.....	.....	.....	
...	\$200 per year.	.....	5	do.	.....	.....	.....	
...	\$41.67 per month.	.....	5	do.	.....	.....	.....	
...	\$25,250 per year.	.....	30	June 30, 1920.	.....	.....	.....	
3	\$1 per year	.....	.....	.....	.....	.....	.....	
3	\$1,666.67 per month.	.....	90	Jan. 31, 1923.	.....	.....	.....	
...	\$75 per month.	.....	20	June 30, 1919.	.....	.....	.....	
...	\$833.22 per month	.....	60	June 30, 1922.	.....	.....	.....	Rent to begin Mar. 12, 1919.
...	\$75 per month.	.....	30	June 30, 1919.	.....	.....	.....	
...	\$100 per month.	.....	60	1 year after war.	.....	.....	.....	
1	\$50 per month.	.....	30	May 1, 1923.	.....	.....	.....	
1	\$50 per month.	.....	30	1 year after war.	.....	.....	.....	
...	\$100 per month.	.....	30	do.	.....	.....	.....	
1	\$20 per month.	.....	2	.....	.....	.....	.....	

1 Date of occupancy.

## MILITARY HOSPITALS.

Owner or lessor.	Location.	Character.	Use.			Normal patient bed capacity.	Lease signed by—	
			Hospital patient.	Nurse.	Barrack.		Lessor.	Goverment.
Azalea Co.....	Azalea, N. C..	Land, G. H. No. 19.	X.....	.....	.....	960	Yes.	Yes.
D. F. Matthews.....	do.....	Land.....	X.....	.....	.....	.....	Yes.	Yes.
E. L. & D. Gaston.....	do.....	do.....	Trans- mission line.	.....	.....	.....	Yes.	Yes.
J. A. Porter.....	do.....	do.....	Right of way for sewer.	.....	.....	.....	Yes.	Yes.

# MILITARY HOSPITALS.

497

Effective H leases terminating s 30, 1919).	Rent for term.	Annual rent thereafter.	Termi- nation notice.	Renewal period.	Construc- tion cost esti- mated.	Rental and con- struction cost per bed.		Remarks.
						First year.	Subse- quent.	
1, 1918	\$250 per month.		Days. 90	Jan. 31, 1923.				
y 1, 1918	\$50 per year.		5	June 30, 1928.				
ly 1, 1918	do.							
do.	\$14.17 per month.		30	June 30, 1923.				



## TESTIMONY OF MR. C. WILLING HARE.

(The witness was not sworn.)

Senator HARDWICK. Mr. Hare, I suppose you are acquainted with the contents of the resolution under which the committee is operating?

Mr. HARE. No; I am not, sir. I was sent here in response to the request of the committee.

Senator HARDWICK. Let me have a copy of the resolution. While we are waiting for that, without undertaking to quote the terms of the resolution adopted by the Senate, I will state that this committee was directed by the Senate to inquire into the general subject of hospital facilities, both for the Army and for other branches of the service, and also specifically the acquisition of hospital sites and hospitals by the Government in this war period. During the progress of our general investigation quite a considerable controversy has arisen with reference to the selection of sites and hospitals at Chicago, and we have had under particular examination and investigation certain allegations made with respect to what is known as the Speedway hospital project, if you know it by that name, in Chicago.

Mr. HARE. I do.

Senator HARDWICK. We would like to know, in a general way, what you know about that project and the Government's connection with it generally, and then probably we will ask you some questions.

Mr. JOHN V. BOUVIER. Mr. Chairman, may I be permitted, for the purpose of facilitating the very point which you wish to develop, to examine Mr. Hare? Would that be agreeable to you and your associates?

Senator HARDWICK. No; I think not. For whom do you appear?

Mr. BOUVIER. I, perhaps, should have made myself known. I am representing the War Department, sir, or attempting to represent the War Department.

Senator HARDWICK. Representing the War Department?

Mr. BOUVIER. As an alleged lawyer.

Mr. BENNET. May I introduce Mr. Bouvier, a very distinguished member of the bar?

Senator HARDWICK. Does the War Department need counsel in matters of this sort?

Mr. BOUVIER. I do not know. I have just retired from the service a very short time ago. Perhaps it was my identification with the work I have attempted to do in the Judge Advocate General's office that suggested my name to my associate here, Maj. Loring; and I therefore have been endeavoring to be of aid in clarifying, or attempting to clarify, so far as I was able to do it, the situation which you have indicated here; and if you think it would have the effect of expedition and clarity for me to proceed through the medium of an examination by way of question and answer, I should be very glad to do so.

Senator HARDWICK. Not for the present. We probably shall be glad to have you ask any questions that occur to you later; but usually the committee takes the evidence in its own way first. The members of the committee usually ask such questions as suggest themselves to them, and then we allow counsel who appear for any party

interest to ask any questions they desire; and, of course, we shall very glad to extend that courtesy to you.

Mr. BOUVIER. Very well, sir.

Senator HARDWICK. We want to avoid complication as much as possible. We have not permitted counsel to appear in this matter except in so far as they appeared on charges involving the character and reputation of people. As far as the general examination is concerned, we think it would be very much lengthened if we had too many counsel.

Mr. BOUVIER. Oh, I can appreciate how counsel would be an aggregation of nuisances.

Senator HARDWICK. No; I think not. I have not that point of view myself.

Mr. BOUVIER. I do not want to inject myself into this matter.

Senator LENROOT. I would suggest that that be taken up after the next examination is completed.

Mr. BOUVIER. Anything that you think best.

Senator LENROOT. If the department thinks that anything that is material to the inquiry has not been presented before we get through, I will be very glad to have you suggest it.

Mr. HARE. I might clear up that point by saying that after the assistant Secretary's testimony on Friday he thought it advisable to have the department represented by counsel, and asked the Judge Advocate General to select a member of his staff, Maj. Loring—

Senator HARDWICK. Oh, is that it?

Mr. HARE. And he, in turn, asked Mr. Bouvier, of New York, to present.

Senator HARDWICK. We shall be very glad to have them present, but the department is not being tried for any crime that we know of.

Mr. HARE. In response to your question, if I may be permitted, I would like first to state that at the present time I am assistant director, or one of the two assistant directors, of munitions, and director of sales—a job which I was very recently asked to undertake, in addition to my other duties, on account of the illness of Gen. Jamieson, who had to retire from the service.

Senator HARDWICK. What we want to know is, what your position was at the time this particular project was before the department. What position did you then hold?

Senator FRANCE. Would it be agreeable to you to have me state briefly—

Mr. HARE. I can explain it in two or three words, if you will allow me.

Senator HARDWICK. Proceed.

Mr. HARE. I was present for the first time on Friday, and I heard none of the testimony at that time, and very naturally nobody knew who I was, or what, if any, business experience I had had; so I should like to state that, if it is agreeable to the committee.

Senator HARDWICK. That is the suggestion of one of the members.

Mr. HARE. I have been in the employ, and am still, of the United States & Improvement Co. in Philadelphia, and for the last 10 years have been manager of their new business department, in charge of sales of the various properties in which they are shareholders. In the spring of 1917 I was very much interested in the Plattsburg move-

ment, and when the War Department asked the Military Training Camp Association to aid in recruiting for the officers' training camps, as I was a member of the executive committee, I took a very interested part in that, and later formed a small committee, with the consent of the Secretary of War, and visited the various officers' training camps, and, later, the National Army cantonments, making such suggestions to the Secretary from time to time as appealed to the committee.

That continued until about the 1st of August of this last year, when Mr. Crowell asked me to come down—without compensation, of course—and become a member of his staff and form a national committee of much wider scope, which I did, in effect making, I might say, a liaison between the civilian members of our committee and the Secretary of War's office, to bring in close contact the civilian point of view and the officers in the camps and the Secretary of War. During the month of August I was continually engaged in that work. During the month of August I had a very good opportunity to find out how the general work of the Assistant Secretary of War's Office was handled, and I should like briefly to say that every day at 2.30 Mr. Crowell called a meeting of all the men who might be considered as members of his staff. At that time any questions in which they were particularly interested were brought up and discussed and a decision was reached one way or the other by the Assistant Secretary.

Senator FRANCE. Can you give the names of those gentlemen?

Mr. HARE. I can, yes. Mr. Door was one, Mr. Blagden another, Col. Reeves—I can easily furnish you the whole list.

Senator HITCHCOCK. Suppose you get right down now to your connection with the hospital matters and with this particular project.

Mr. HARE. I am bringing it directly to that point.

During the month of August, and perhaps before that, the duty of Mr. Blagden had been to look over the various projects that came in from the Construction Division and see whether they were in order, criticize them, answer all the necessary questions, and take them up with Mr. Crowell, when he would reach a decision. Mr. Blagden left for the officers' training camp and Mr. Crowell asked me if, in addition to my duties as chairman of this national board, I would undertake to review these various projects, and I began on the 1st day of September. These projects were brought down by officers from the Operations Division, generally by Col. Kellond, who represented Gen. Jervay, and after going over them carefully, discussing them with various officers, and discussing them with the Assistant Secretary we would come to some conclusion as to whether we should pass them or whether we should not.

I understand—and I should like to bring this point in at this moment—that some question has been raised as to this Speedway proposition being practically the first proposition that had ever been turned down; that as these things came up through regular military channels they came to the Secretary of War or to the Assistant Secretary of War merely as a matter of form. That is not so. They came to him for the most careful review, and he and I discussed these projects continuously before any decision was arrived at.

Senator HARDWICK. Are you experienced in building such things?

Mr. HARE. No; I mean, as to the advisability of the project from the standpoint of the Government, as to whether this particular

project was absolutely necessary, because very often a department would want a certain thing, and hoped that it could get it, and it was our job, as I understood it——

Senator HARDWICK. Did you have to rely on what the Surgeon General said about the need for hospitals?

Mr. HARE. We had to rely on what the Surgeon General said; we had to rely on all the advice that we could get; but we still felt that we had independent minds of our own, and that was what we were there for—to reach independent conclusions; to get all the advice we could, of course, from every one connected in any way with the proposition.

Senator HARDWICK. How could you decide, Mr. Hare, as to whether the Government needed hospitals and must have them or not?

Mr. HARE. Perhaps I can put it in this way more clearly: One of the large projects, which was to cost considerably more than a million dollars, came to us in the early part of September, for fly screens for every one of the cantonments. It had been under way for I do not know how many months. Mr. Crowell and I both felt that to spend considerably more than a million for fly screens at that time of the year was inadvisable, and we turned that down.

Senator HARDWICK. I can understand that; but in the case of a hospital project, how could you tell whether the Government needed a hospital or not?

Mr. HARE. We asked the Surgeon General.

Senator HARDWICK. And then you relied on what he said?

Mr. HARE. We did; yes. We relied on all the advice—we accepted all the advice that we could get.

Senator HARDWICK. You did not appeal from his decision on that sort of a question?

Mr. HARE. We discussed it. In the case of this particular Speedway project, it is a long story, and I——

Senator HARDWICK. I understand; but I am speaking generally. When the Surgeon General's Office insisted that certain hospital quarters were necessary, you did not undertake to pass on that question?

Mr. HARE. Yes, sir; we did.

Senator HARDWICK. You did?

Mr. HARE. Col. Dickinson represented the Surgeon General's Office on the General Staff, and we were not always sure that the Surgeon General's Office was correct in the conclusion that it reached. There has been, as perhaps you may be aware, some dispute between the Surgeon General's Office and very well-known hospital architects who volunteered their service to draw plans that were quite materially different from the plans of the Surgeon General's Office. It appealed to me, from the general information that I got at that time, that there was a very distinct difference of opinion even in the Surgeon General's Office among his own officers as to what was necessary and what was not.

Senator HARDWICK. I was wondering, on these purely technical questions, how you could make much of a real review of their decisions.

Mr. HARE. For instance, when the Surgeon General's Department stated "We must have as quickly as possible 10,000 beds in the vicinity of Chicago," we never questioned that.

Senator HARDWICK. Just such things as that?

Mr. HARE. That sort of things; but when the Surgeon General's Department said "We must put a hospital here" or "a hospital there" or "a hospital here," we felt then that good, sound business judgment entitled us to look into it and express our opinion. I am not for one moment trying to say that our opinion was right.

Senator FRANCE. Were there many of these projects which came before you?

Mr. HARE. From the 1st of September until about the latter part of October or the 1st of November, when I took on other work, a good many came before me; just how many, I can not tell you. I could get that list for you; but sometimes six or seven or eight in a day; sometimes more, sometimes fewer.

Senator FRANCE. Now, if you will let me make a brief statement, perhaps it will give us an outline as to the course we want you to follow. Secretary Crowell came before us, and he stated that there were three methods which he could follow in passing upon hospitals. He could rely upon the divisions, such as the Construction Division; he could make a personal investigation and rely upon his own judgment; or he could rely upon the judgment of his staff. The testimony of the Secretary, to my mind, made it clear that he did not rely upon the judgment of the divisions; that he did not rely upon his own judgment, a complete personal investigation being impossible, but that he relied upon the judgment of his staff, you being the chief of his staff having this matter in charge. Now, we wish to know definitely upon whose judgment you relied—whether you made a personal, detailed, and complete investigation which would enable you to form an independent judgment of your own, enabling you to say of your own personal knowledge of all the details to the Secretary that this project was or was not meritorious, or whether you in turn relied upon others. Now, we want to know if you reached that independent judgment after a personal investigation of all the details or whether you relied upon others. Will you tell us whether you made such a personal investigation as would enable you to form an independent judgment? Will you answer that question first?

Mr. HARE. I made such an investigation as I could from Washington by using others. I mean I did not go to Chicago myself.

Senator FRANCE. Then you, in a general way, were situated as the Secretary was—and we are not criticizing this. In a general way you were situated as he was. A large number of projects were coming before you, and you in a general way were compelled to rely upon the judgment of others in forming your own judgment?

Mr. HARE. That is true, except that I used my own judgment to this extent: That my experience in these National Army camps for more than a year and a half, going through dozens of these hospitals of similar construction, gave me a first-hand knowledge as to the type of hospital.

Senator FRANCE. Mr. Hare, we recognize the fact that you had had experience, otherwise you would not have been in that position—experience which would tend to give you a judgment which could be relied upon. We are not questioning that; but the fact of the matter is that you were compelled to rely upon the judgment of others in forming your own conclusion?

Mr. HARE. That is true.

Senator FRANCE. Now, will you state to us the members of your organization upon whose judgment you did rely and upon whose findings of facts you relied?

Senator HARDWICK. You mean with respect to this particular matter?

Senator FRANCE. Yes; with respect to this particular matter.

Mr. HARE. When the Speedway hospital was first brought to my attention on the afternoon of September 18, it was brought to my desk by Col. Kellond, of the General Staff, and Col. Dickinson, they ringing it down in the usual way.

Senator FRANCE. In what capacity were they serving?

Mr. HARE. They were on the staff of the Director of Operations, Gen. Jervoy, of the General Staff of the Army. These various projects would come up from the Construction Division to the Division of the Director of Operations, and from him would be sent down to the Secretary of War's office. They brought it in late that afternoon and said they would like to get it through. I said, "I can not pass on anything of this sort in such a hurry," and they said, "We hope you will use your"—

Senator FRANCE. Do you remember the date?

Mr. HARE. That was September 18. They said, "We hope you will use your best offices," or words to that effect, "to get it through." I said, "I shall first have to examine it myself." They left my office, and I had scarcely begun to examine the papers before Mr. Crowell called me up and said that Mr. Baruch, of the War Industries Board, wanted to know if these papers were before us. I said, "They have not come to me." He said, "Do not do anything with them until you see me in the morning. Mr. Baruch is protesting against the passing of them because they have never been cleared by the War Industries Board, or, if they have been cleared, they have been cleared under protest."

Senator FRANCE. Mr. Baruch was protesting against what?

Mr. HARE. Against passing these papers until he had an opportunity to talk to Mr. Crowell the following morning, because the procedure was not regular, in that work had commenced without the sanction of the War Industries Board, and therefore the War Industries Board had refused clearance, and finally gave clearance under protest. I think that is already a matter of record.

Senator HARDWICK. Yes; I think we have had some testimony of that sort.

Mr. HARE. I began to look into the papers, and when I found for the first time, when it came to my knowledge for the first time in this case that work had already commenced, I thought it was extraordinary. Not a similar case had ever come before me before, in which work had been commenced until the Secretary of War had validated the contract with his signature. I took the papers in to Mr. Crowell, and I said, "I think this entire matter requires very close investigation, not only here, but in Chicago"; and after consultation with him I asked Col. Starrett the next morning, the 19th, to jump on a train, go out to Chicago, and look into the question of the Speedway and the question of other available sites. I remember telling Mr. Crowell that morning that I did not think we wanted to jump in

and say that it was advisable to spend \$3,400,000 for a 2,500-bed hospital until we had found out what other hospital sites there were, and what other things there were. Fort Sheridan, by the way, had been under more or less general discussion by the Construction Division and the Surgeon General.

Senator FRANCE. But no work had been done at that time at Fort Sheridan?

Mr. HARE. No work had been done at that time at Fort Sheridan.

Senator FRANCE. Nothing had been done on Fort Sheridan at that time?

Mr. HARE. Nothing. Col. Starrett went out to Chicago, and the next day sent a night telegram in which he made certain statements which I showed to Mr. Crowell, and he said we must proceed with extreme caution as the result of those statements.

Senator LENROOT. Is that telegram in evidence?

Mr. ADCOCK. No, sir; and I should like to ask the committee, if the Secretary has it, if it can go in evidence.

Senator LENROOT. I will not say that it should go in evidence, but I think the committee ought to see it.

Mr. HARE. I have the telegram, I think, if you will let me have those papers. The original, I might say, is at your disposal. It is in the War Department. Here is a copy.

Senator HARDWICK. Oh, this copy is just as good.

(The copy of the telegram above referred to was examined by the members of the subcommittee.)

Senator BECKHAM. This is a telegram from Col. Starrett?

Mr. HARE. From Col. Starrett to me.

Senator BECKHAM. What is the date of it?

Mr. HARE. It is dated the 20th. He sent this as a night letter on the 20th.

Senator FRANCE. This telegram was sent how long after Col. Starrett went to Chicago?

Mr. HARE. It was sent on the 20th, and it was sent after a day's investigation of it. It was followed within two days by his complete report.

Senator FRANCE. Of course, we are attempting to fix responsibility for the information which reached your office. That is the object of this whole inquiry. You knew Col. Starrett very well, did you?

Mr. HARE. No, sir; I did not. I had never seen him until after I came down here in the middle of August.

Senator FRANCE. I mean, he had been connected with your organization?

Mr. HARE. No; he was in the Surgeon General's Department. He was at the head of the division that passed on the availability of contractors in the War Industries Board, and was an engineer of standing; and from my various conversations with him in regard to certain contractors—of course, very naturally from time to time disputes arose as to whether Contractor A or Contractor B was the best—I formed a very good opinion of his judgment on those matters.

Senator FRANCE. This telegram, we need only say for the present, was unfavorable to the project in a general way. Now, what we want to know is—and this leads us to the very heart of the matter—with whom did Col. Starrett talk when he went to Chicago?

Mr. HARE. Col. Starrett discussed the question with Shank——

Senator FRANCE. With Mr. Shank? He discussed it with Mr. Shank?

Mr. HARE. And there exploded the theory that this was a charitable undertaking.

Senator FRANCE. Well, that is sufficient. He talked with Mr. Shank. Now, with whom else did he talk in that way? Mr. Shank did not say anything unfavorable to the project?

Mr. HARE. Oh, no.

Senator FRANCE. That goes without saying.

Mr. HARE. Not at all.

Senator FRANCE. With whom else did he talk? He could not have talked with many men. We know what the average Government working day is. Now, he could not have talked with many men.

Senator LENROOT. You do not know anything about what Mr. Starrett did, any more than appears in this report, do you?

Senator FRANCE. I want to find out. Mr. Hare talked with Col. Starrett after his return.

Mr. HARE. Of course, when I got the telegram I knew nothing more than the contents of the telegram, and then went on looking into the case; and when Col. Starrett's report was made we discussed it, and his report reiterates some of the statements contained in the telegram, and goes then into more detail in regard to exactly the investigation that he did make.

Senator FRANCE. Can you inform us as to the men with whom Col. Starrett talked on that day?

Mr. HARE. I can not do so offhand without referring to Col. Starrett's report. I know that he made what seemed to me to be a very careful examination into the case.

Senator FRANCE. Did you have any Government representatives in that territory with whom he naturally would have talked?

Mr. HARE. There was a regional director of the War Industries Board there, I think, with whom Col. Starrett talked.

Senator FRANCE. Do you remember his name?

Mr. HARE. Mr. Felt, I think.

Senator FRANCE. Were there any others there with whom he would naturally have talked?

Mr. HARE. I think, in looking into Mr. Shank's ability as a contractor, he talked to our quartermaster there. I am not certain on that point; but his conclusions, I might say, in regard to Mr. Shank's ability as a contractor were good. There was never any question about that.

Senator HARDWICK. His conclusions generally about this project are embraced in his report of September 24, are they not?

Mr. HARE. Yes.

Senator HARDWICK. Let me read you this language, and see if you recognize it:

In view of the foregoing, I am prepared to advise that, standing on its own merits, the deal is an equitable one for the Government. In order that it may be properly viewed, all consideration that Hines is giving anything should be dismissed from the subject. On its merits there is good value in the project, both in the cost of the land and in the cost of the buildings. In my opinion, the deal will be profitable to Hines, in that he will dispose of a piece of land that in its present form is involved because of a useless investment that incumbers it; moreover, the sale of the land will make an easy way to close out the deal by salving the lumber.



Mr. ADcock. Is there any objection to the report going into the record?

Senator HARDWICK. Yes; I am not going to put this report in the record.

Mr. HARE. Mr. Crowell told me to advise you that he was perfectly willing to have the report go in the record.

Senator HARDWICK. The committee does not think it ought to go in. There are a lot of loose statements in it that deal carelessly with men's reputations and, in our opinion, make it utterly improper to use it all.

Senator LENROOT. In that connection, Secretary Crowell testified that those statements had no influence whatever with him with reference to any adverse action.

Mr. HARE. None whatever with him or with me.

Senator LENROOT. Therefore it is not material.

Senator HARDWICK. Now let me finish this. I was reading from the conclusion:

Moreover, the sale of the land will make an easy way to close out the deal by salvaging the lumber and materials, but these considerations should not be confused with the intrinsic value which there is unquestionably. Shank will profit because some of these materials are usable in the construction of the building but not entering into the structure of it, excepting in the case of some structural steel and some plumbing fixtures. The use of secondhand steel under proper supervision is entirely legitimate; the use of the plumbing fixtures also, under proper inspection, is entirely permissible, especially in view of the fact that the fixtures are practically new, of good quality, and of the latest type.

This report does not take any part in the discussion of the desirability of the project from a practical point of view. Opinion on that subject, I assume, will be sought from the Surgeon General.

In other words, in his report Mr. Starrett, on whom you say you relied, recommended that this particular hospital be used, and that certain others at Chicago which have since been used be not used, did he not?

Mr. HARE. Col. Starrett made an individual report on an individual case; and I if I might put my point of view as squarely before you as I can—

Senator HARDWICK. Yes; that is what we want.

Mr. HARE. I felt that at that time I was in the position which I have occupied for many years with my own company, of having different men report on different projects. I and my superiors were the ones to decide between the merits of the various projects, having the whole picture before us. Col. Starrett and many others were favorably inclined toward the Speedway Hospital. We had, in addition to the Speedway hospital, several other projects in the immediate vicinity of Chicago, and it was, I understood, the clear duty of myself and Mr. Crowell to decide as to which of—

Senator HARDWICK. Leaving that question aside, the reason I ask you these questions is that I understood you to say you based your opinion on Col. Starrett's report.

Mr. HARE. No, no.

Senator HARDWICK. I think the record will show that you said that in an earlier part of your investigation. If you did not intend to say it or if I have mistaken what you said—I thought you said he was the man that you sent there; that you did not know yourself, and that you had sent him.

**Mr. HARE.** I sent him out there to investigate the matter, but I did not base my conclusions on what he said.

**Senator HARDWICK.** Well, then, you did not act contrary to his report and rely on yourself alone, did you?

**Mr. HARE.** I think in the final turning down of the Speedway we acted from the judgment that we formed from all the various projects before us. We never said that the Speedway proposition, standing on its own merits, and if it was the only place in Chicago, was not a good proposition; but we had the opportunity of getting 5,000 beds at Fort Sheridan on our own land for very much less money per bed than at the Speedway, and the Speedway proposition was investing for the Government a large sum of money in land and buildings. I never had it in my mind at that time, and have not to-day, that it was the intention of the Government to invest in permanent hospital buildings. From the very time I started out working with and for the War Department my entire conception of the war was that it was an emergency, and that all hospital construction was emergency construction; that it was to be made safe and sound, but it was to be made for emergency use and not for permanent use.

**Senator FRANCE.** Now, just let us get back to the trend we were following. You stated that in a general way you followed the practice of the Secretary, that you relied very largely upon an organization for the ascertainment of facts. Now, you must have been fairly familiar with the organization at your hand and at the Government's hand for the ascertainment of those facts, were you?

**Mr. HARE.** I was, fairly.

**Senator FRANCE.** Now, you sent Col. Starrett, as representing your organization, to Chicago to make this investigation. Were you familiar enough at that time with the organization at your hand for making these investigations to know whether or not the Government had any organization in Chicago which had charge of looking into these matters?

**Mr. HARE.** No; I was not.

**Senator FRANCE.** You did not know that there was an organization in Chicago?

**Mr. HARE.** No; I did not.

**Senator FRANCE.** Established by the Government to look into the hospital question?

**Mr. HARE.** No; because that hospital commission did not start out until after this date, headed by Gen. Noble. I knew that, and had several conversations with Gen. Noble, I knew that the hospital commission had been formed and was looking into the entire matter.

**Senator FRANCE.** What was this date?

**Mr. HARE.** This was the 20th.

**Senator FRANCE.** The hospital commission had not been formed then?

**Mr. HARE.** It may have been formed, but it had not gone to Chicago to look into the matter.

**Senator FRANCE.** The Government had no representative in Chicago looking into the hospital question at that time, then?

**Mr. HARE.** I think it may have.

**Senator HARDWICK.** Let me call your attention to the fact that the Starrett report starts out as follows, so that you may have your

mind directed to that phase of it. It is directed to you, Mr. HARE, Assistant Secretary of War, by Col. W. A. Starrett, Quartermaster Corps:

Subject: Hospitals in Chicago district.

(1) Pursuant to instructions from you, I proceeded to Chicago, arriving there on Friday, September 20, and immediately started investigation of the three alternative schemes upon which you instructed me to report.

I. The so-called Speedway proposition.

I will not read it all.

II. The utilization of the Field Columbian Museum Building, in Jackson Park. \* \* \*

III. Construction of entirely new temporary hospitals at Fort Sheridan at an estimated expenditure of \$3,000,000.

Now, he made this report to you on all of those propositions?

Mr. HARE. Yes; that is right.

Senator HARDWICK. And in the alternative; and I understood he was the man on whose investigations you said you relied in this matter. That is true, is it not?

Mr. HARE. That is true, among others.

Senator HARDWICK. Well, are there any others besides him? Who were the others?

Mr. HARE. The others were the investigation of the hospital commission that went out there with Gen. Noble and others. I discussed the entire matter—

Senator HARDWICK. That commission took the position that they were instructed to lease buildings only and therefore had no right to consider the merits of this Speedway proposition, did they not?

Mr. HARE. Oh, well, they looked into it, sir.

Senator HARDWICK. Oh, no; they say not.

Senator LENROOT. They say they were advised from Washington not to look into the Speedway project.

Senator HARDWICK. Yes; they say they were advised from Washington not to look into the Speedway project, so you could not have relied on their judgment, unless they are misstating the thing to us. Is not that right, Senator?

Senator FRANCE. Yes; that is according to my memoranda.

Senator HARDWICK. That is what I recollect.

Senator LENROOT. That is the testimony of every member of the commission.

Senator HARDWICK. Who else, now, besides the hospital commission?

Mr. HARE. I held a telephone conversation with Gen. Noble, in which I put the case squarely up to him later on in the investigation as to whether he preferred the Speedway or the Field Museum, and he said he preferred the Field Museum. This was after the Fort Sheridan proposition had been accepted.

Senator FRANCE. You can not tell us the names of any of these men with whom Col. Starrett talked on that day, in the subsequent conversations—which, of course, did not appear in this telegram—with whom he talked?

Senator HARDWICK. They do not appear in his report, either.

Senator FRANCE. Or in his report; but did you talk with Col. Starrett after he returned?

Mr. HARE. I did.

Senator FRANCE. And he told you nothing of the character of his investigation or the men with whom he talked?

Mr. HARE. He did, yes; but just the names of those with whom he talked I can not recall at the moment.

Senator FRANCE. You can not recall any of them?

Mr. HARE. He left a very definite impression on my mind that he had gone into the thing most carefully.

Senator FRANCE. You had simply made up your mind to accept his findings?

Mr. HARE. No, no; I had not.

Senator HARDWICK. He did not leave any different impression on our mind from that conveyed by his report, did he?

Mr. HARE. That he had gone into it carefully?

Senator HARDWICK. No; I mean one this entire subject matter; he did not leave any different impression on your mind from that embraced or covered in this report, did he?

Mr. HARE. No.

Senator HARDWICK. In other words, the impression that he left was pretty well pictured by the report?

Mr. HARE. I think it is well pictured by the report.

Senator HARDWICK. That is what I mean.

Senator FRANCE. Do you know anything of Mr. Trainer's connection with the Government?

Mr. HARE. Yes; I do.

Senator FRANCE. What was that connection?

Mr. HARE. The first time I saw Mr. Trainer was some time the second week of September. I knew that he was in the real estate division.

Senator FRANCE. How long had he been in that division?

Mr. HARE. I do not know, but he came into my office with a project that had to do with the Sea View Hospital on Long Island.

Senator HARDWICK. Did he ever discuss this project with you?

Mr. HARE. Never.

Senator FRANCE. And you do not know whether he discussed this project—

Mr. HARE. I mean, he has discussed it, of course, recently with me, it—

Senator HARDWICK. I mean before the decision?

Mr. HARE. I never saw the man again after that first meeting in the second week of September until in November, about the 10th of November.

Senator FRANCE. You knew he lived in Chicago?

Mr. HARE. I did not even know that.

Senator FRANCE. You knew that he did at some time represent the real estate section?

Mr. HARE. I knew that he then represented the real estate section there.

Senator FRANCE. At that date?

Mr. HARE. At that date.

Senator FRANCE. But you had not known how long?

Mr. HARE. I did not know anything about him.

Senator FRANCE. You did not know how long he had been in the real estate section?

Mr. HARE. No, sir.

Senator HARDWICK. Do you remember having a conversation with Maj. Stotesbury about this thing?

Mr. HARE. I did; yes.

Senator HARDWICK. And did you send him word by Mr. Trainer that you wanted to see him about this business?

Mr. HARE. No; at that time—that was in December—Mr. Trainer came in to see me, and told me—the first of all, the next time that I saw him after the one interview was in November, about November 10, when Trainer came in to see me and said: “There are some very disagreeable charges afloat about me in connection with this Speedway matter. I should like to prepare a letter and have it presented to the Secretary of War”; and he prepared such a letter, and it was handed to Mr. Crowell. I saw him then in December, about December 10, and he wanted to know if I could not arrange to get him the Stotesbury report. I spoke to Mr. Crowell about it, and I said: “I think in fairness to Mr. Trainer he should have a copy of the report, in so far as it refers to his connection with the case.”

Senator LENROOT. Were you familiar with the Stotesbury report at that time?

Mr. HARE. No; I never saw it. I never saw the Stotesbury report until the other day, when Col. Wright brought it down and showed me certain conclusions of the Stotesbury report.

The next time that I saw Mr. Trainer was about the 17th of December, when he came in and wanted to know if I could not arrange an interview between him and Maj. Stotesbury, and I said that I would see what I could do; and I did arrange such an interview, and I asked Maj. Stotesbury then to come to my office and tell me his findings. Maj. Stotesbury did come to see me. We talked it over, and he told me what his conclusions were, and he said that he thought our judgment was poor in turning down the Speedway; that his investigation of it showed that they could get 4,000 beds in the Speedway, and that it was in every way an excellent proposition. I asked Maj. Stotesbury why he had recommended that certain charges in connection with Mr. Trainer should be referred to the Department of Justice without having called Mr. Trainer or Mr. Holden, his chief, before him for examination. He said he did not consider it necessary. I said: “Before you reached the conclusion of your report, why did you not talk to me or Col. Starrett or any of these other people?” He said he did not think that was necessary. I said: “I think that you made a very partial investigation. Maj. Stotesbury.”

Senator LENROOT. Had you at that time been informed by Mr. Trainer of his version of the affair?

Mr. HARE. No.

Senator LENROOT. Was it your idea, Mr. Hare, that when charges were made against a party it was the duty of an officer of the Government to bring before him the man against whom the charges were made and make him aware of the matter?

Mr. HARE. I thought as the case had been turned over to Maj. Stotesbury for a very full and free investigation, such an investigation could not be either full or free unless all the parties at interest had been examined.

Senator FRANCE. Mr. Hare, you have stated that you were fairly familiar with the organization which passed upon various matters relating to hospitals, and yet you state that you did not know that on the 15th of July Mr. Trainer had been appointed to look after the real estate section?

Mr. HARE. I did not know that.

Senator FRANCE. You did not know that?

Mr. HARE. No.

Senator FRANCE. Did you know that Maj. Holden had charge of the real estate?

Mr. HARE. You see, I had nothing whatever to do with this until the 1st of September and I was not in Washington until the 1st of August, and I was not at all familiar with the organization until after the 1st of September, and then all that I knew was that we had a real estate section of which Maj. Holden was chief; and I only came in contact with it after the 1st of September, because prior to that time and during the month of August my work had been entirely with the national committee.

Senator FRANCE. The testimony shows that Mr. Trainer, of Chicago, was put in charge by Maj. Holden of the real estate division on the 15th of July, and the evidence also shows that Mr. Trainer was in Chicago during the latter part of June and July. I do not know that it shows whether he was there during August; but if he was there, representing the Government, would it not have been natural for Maj. Starrett to have talked with him that first day?

Mr. HARE. I think so.

Senator FRANCE. But you do not know whether he talked with him or not?

Mr. HARE. I do not recall.

Senator FRANCE. You have no knowledge as to the facts upon which Col. Starrett based this generalization which he put in this telegram to you, which was unfavorable to the project?

Mr. HARE. No; I can not say that.

Senator FRANCE. Except that you mentioned Mr. Shank and some one who gave evidence as to Mr. Shank's ability as a contractor, but aside from those two men you do not know with whom he talked?

Mr. HARE. I think I said that I remembered his talking with Mr. Felt, the regional director; and I remember distinctly that he made a personal examination of the Speedway, and made a report showing how far the work had advanced. I remember that he told me that he did not see any agents of the Government on the ground at that time.

Senator FRANCE. Do you mean to say that he said he saw no agents of the Government in Chicago?

Mr. HARE. As I recall it.

Senator FRANCE. Then you would be prepared to state that he did not talk with Mr. Trainer?

Mr. HARE. No; I would not be prepared to state that without refreshing my memory. If I may say so, I had been very much engaged in entirely a different line of work until this case came up very suddenly.

Senator FRANCE. Do you know whether he talked to Col. Hornsby with reference to this project? I believe Col. Hornsby was another Chicago man.

Mr. HARE. I do not remember. He probably did. I do not remember whether he did or not.

Senator FRANCE. In view of your statement that you relied upon your organization, I do not think the evidence shows very clearly what organization you did rely on.

Mr. HARE. When I say "my organization," I had no organization. I was an individual member of the Assistant Secretary of War's staff, and my organization was the Army organization. It was the only organization that I had to rely on, and we therefore selected Col. Starrett to go out and make a careful examination into this case, and he came back and reported. At the same time I was going on with various other members of the staff, which I have explained, in regard to other projects which might or might not be available.

Senator FRANCE. You say you did not have any personal organization, but that you relied upon the Army organization; but your testimony clearly shows that you did not rely on the Surgeon General's findings—he had recommended this project—and that you did not rely on the Construction Division. Now, then, what department of the Army did you rely upon, except the findings of a Government officer who went and talked with parties with reference to the qualifications and personalities of whom you were entirely ignorant? In other words, you rejected the findings of the Surgeon General's office, you rejected the findings of the Construction Division, and appointed an individual officer to go out there and make a special report, and accepted a generalization which he made without even knowing the parties with whom he talked.

Senator LENROOT. I think, Senator France, he also rejected his report.

Senator HARDWICK. Yes; because he reported in favor of it.

Senator FRANCE. Yes; in a measure he rejected that. Now, then, upon whom did you rely? That is what we want to know. We want to fix the responsibility. We do not fix it upon you, except officially. The official responsibility rests upon the Secretary of War. We do not fix it upon Mr. Crowell, because we could not expect him to go into all of the details. We do not fix it entirely upon you, because we recognize that you could not go into all of the details. We want to fix the responsibility on somebody, because we want to know what facts influenced that man to finally reject or accept the project. Now, then, can you give us any information as to the man upon whom you relied finally? You could not make the investigation yourself. Your testimony shows that, and we acquiesce in it. Now, you did not rely on the Surgeon General. You did not rely on the construction division. You did not rely on Col. Starrett, and you did not even find out the facts which led him to make this generalization in his first telegram. Now, upon whom did you rely, and why did you finally turn down the project?

Mr. HARE. Now, may I state the situation as briefly as I can? I got all the information that I possibly could from the construction division, not only in regard to the Speedway, but in regard to these other projects. I had Col. Starrett's report. I was in touch with Gen. Noble, who was at that time the head of the hospital commission, and I am not sure whether he was Acting Surgeon General or not. I was in constant touch with the officers who were chiefly familiar with the entire hospital situation in Chicago.

Senator FRANCE. Now, who were those officers? Let us keep down to facts in fairly concrete form. Let us keep right down to those individuals—names, dates, and facts.

Mr. HARE. All right. Col. Kellond, Col. Dickinson, Gen. Noble, Col. Wright, Maj. O'Brien—

Senator HARDWICK. Every one of them reported that this was a good project, did they not?

Mr. HARE. I do not know whether I can get the fact as it seems so clear to me in the same way before you gentlemen, but this is the point that I want to make, that all of these gentlemen thought that the Speedway hospital project was a good project, with the exception of Gen. Noble, who thought that he preferred the Field Museum.

Senator HARDWICK. But he also is on record as reporting in favor of the Speedway.

Mr. HARE. And I find that when the question was put squarely up to him he said he preferred the Field Museum when that developed. I think that his recommendation of the Speedway was before the development of the Field Museum.

Senator HARDWICK. It was unqualified, though.

Mr. HARE. Was it?

Senator HARDWICK. Unqualified; that is the record here.

Mr. HARE. But that was before the Field Museum was interjected into it.

Senator HARDWICK. He never retracted that indorsement, did he?

Mr. HARE. I do not know that he did, but when he had the choice—man may say: "I am thoroughly in favor of a certain project to-day," when that is the only project before him. If you put two or three projects before him, he has a right to say: "I have said, and I still say, that that was a good project, but, under all the circumstances, I consider that this other one is better."

Senator HARDWICK. Did he make a report indicating that?

Mr. HARE. He made a report over the telephone to me.

Senator HARDWICK. Oh, a verbal report?

Mr. HARE. A telephonic report.

Senator LENROOT. Let me ask you this question. If I am incorrect in my recollection of the testimony, the members of the committee will correct me. My recollection of the testimony is that Gen. Noble had a telephone conversation with somebody concerning the duties of this commission in Chicago. Was that telephonic conversation with you?

Mr. HARE. Not in connection with the duties of it. He had a telephone conversation with me in which—

Senator LENROOT. In regard to the scope of the investigation?

Mr. HARE. No; in which he reported on the work that they were doing.

Senator LENROOT. Well, that is the conversation.

Mr. HARE. And I have a copy of that telephone conversation.

Senator LENROOT. And one member of that commission testified that he was present at that telephone conversation, and heard the conversation at that end of the line, and that Gen. Noble immediately reported to him that the party at the other end of the line instructed the commission not to consider the Speedway project.

Mr. HARE. Well, that is not so.



Senator LENROOT. That is not so?

Senator HARDWICK. You dispute that?

Mr. HARE. At least, I did not make that statement.

Senator FRANCE. At the time that this commission was looking into the matter of the Field Museum, the testimony very clearly shows that the Speedway was not even considered. They did not even consider it in comparison with the Field Museum, because the statement was made that the Speedway project had been disapproved by the Secretary of War, and that, in view of that disapproval, they would not consider it.

Mr. HARE. It had been disapproved at that time. There were two projects. The first project had been disapproved at that time, and Fort Sheridan accepted on the basis of cost. Then we asked Mr. Hines if he cared to make a supplemental suggestion in regard to the Speedway, which he did, and that was considered as against the other one, which was at that time the Field Museum.

Senator HARDWICK. You know, as a matter of fact, however, that the Noble commission did not consider in any relative or comparative way the Speedway proposition with any of these other hospital projects in Chicago, do you not?

Mr. HARE. No; I do not. I consider that Gen. Noble did consider the Speedway and the other, because he so reported to me over the telephone. I asked him the direct question: "With these propositions before you, which do you prefer?" He said: "I first prefer the Field Museum, and for second choice I would just as lief have either the Speedway or Marquette Park."

Senator HARDWICK. That is the theory, the one you have just detailed, on which you acted in this matter, is it?

Mr. HARE. No; that was only one of many other circumstances.

Senator HARDWICK. I thought that you said this was the theory; that when you compared the propositions—

Mr. HARE. Yes; my theory is this, or rather, not my theory, but my understanding and belief of the case is this: That when they say that a certain proposition, which involves purchase for the Government is a good thing, that is a distinct proposition by itself; but when I am asked to decide whether a purchase for the Government is as good a thing for the Government as the building of a hospital on our own land, where we already have certain buildings, where we can get 2,000 beds in very short order and at very slight expense, and can add thereto sufficient space to bring up the total to 5,000 beds, I say then I am in a position where I must decide between the two propositions.

Senator HARDWICK. Yes; but in reaching that decision, as I understood you, you acted on the belief that the Noble commission had also taken this question under consideration, and took the same view of the matter that you did?

Mr. HARE. Not the Noble commission, no; that Gen. Noble himself did, when I asked him that particular question.

Senator FRANCE. What was the date of that?

Mr. HARE. That must have been in October. If you will allow me to refresh my memory, I have it here.

Senator FRANCE. Yes.

Mr. HARE (after examining papers). That was on October 3. May I read it? I dictated it immediately after I held the telephone conversation, and I will read it as I dictated it at that time.

Senator HARDWICK. All right.

Mr. HARE (reading):

Gen. Noble reported to me over the long-distance telephone, from Chicago, to-day, that he has examined Marquette Park and finds it admirably situated for hospital purposes. There are 320 acres and room for a 10,000-bed hospital. Railroad facilities and everything else are O. K.

Some question with regard to Washington Park with reference to power facilities and for this reason and also due to the fact that railroad facilities are not as good. Gen. Noble favors the Marquette Park plant.

Gen. Noble reports with regard to the Field Museum that he is in conference with the board of trustees and believes that, before the day is over, he will get their consent to the use of the Museum. If this is so, the hospital for 4,000 beds can be erected within the next three months, provided temporary quarters are arranged for for the personnel, and if these do not have to be built. He is very anxious to have Col. Wright delegate some one to come out to Chicago and go into this proposition with him.

In answer to the particular question: "If the proposition were put before you to-day to select a site for a 2,500-bed hospital, which of the various sites under consideration would you prefer, and what would be the order of your preference?" Gen. Noble stated that he would prefer the Museum site, as he believes it is better in every way, and that as between Marquette Park and Speedway Park, he would be equally satisfied with either.

Senator LENROOT. What is that you are reading from?

Mr. HARE. That is from a note that I made on October 3, after a telephone conversation with Gen. Noble.

Senator HARDWICK. That is his memorandum.

Senator FRANCE. The members of this commission, the testimony shows, did not consider these two projects together. Col. Northington became a member of the commission on October 7, 1918; and the date of that is what?

Mr. HARE. October 3.

Senator HARDWICK. He succeeded Gen. Noble. Do you know Col. John A. Hornsby?

Mr. HARE. I have seen him once, I think; not more.

Senator HARDWICK. Did you have his letter before you at the time?

Mr. HARE. I never saw that letter. That letter was sent to the Secretary of War, and I have never seen it to-day. Mr. Crowell told me he had written him a letter saying that the Speedway was a swamp. That was my only knowledge of it.

Senator HARDWICK. To whom was that sent—to Mr. Baker?

Mr. HARE. That was sent to Mr. Baker, as I understand.

Senator FRANCE. The whole testimony leads us to this point—that you rejected the findings of the Surgeon General, the Construction Division, and the hospital commission, but that you finally accepted the decision of Gen. Noble. That was the thing that finally decided you?

Mr. HARE. No; I can not say that. His judgment helped in the decision in favor of the Field Museum as against the Speedway on the second proposition.

Senator FRANCE. Well, you have no knowledge as to how he reached that judgment?

Mr. HARE. I have not; no.

Senator FRANCE. He did not reach it, we assume from the evidence, by talking with the hospital architect, Mr. Schmidt, because Mr. Schmidt's testimony led me to believe that he considered a building designed for a hospital to be superior to a building designed for a museum. Ordinarily, would you not consider that a building designed for a hospital would be more desirable for a hospital than one designed for a museum?

Mr. HARE. I should think so.

Senator FRANCE. Yes—well, I think that was Mr. Schmidt's conclusion.

Senator HARDWICK. Mr. Schmidt, by the way, was a member of this Noble commission.

Senator FRANCE. Yes; he was a member of this Noble commission. In view of that fact, would you not naturally have said to Col. Noble: "Now, with whom did you talk, or whose judgment did you follow, in coming to the conclusion that a museum would make a better hospital than a building designed for a hospital?"

Mr. HARE. I do not think so. In the first place, it was a telephone conversation, and all that I wanted was to get his point of view, and therefore I asked him: "Which of these propositions do you prefer?" and as he was on the ground, and I was not—I had never seen the Speedway Hospital nor the other—I took it for granted that—

Senator HARDWICK. Was it unusual for one of these hospital projects to be considered primarily in the Secretary of War's office?

Mr. HARE. Was it unusual?

Senator HARDWICK. Yes.

Mr. HARE. It was most unusual, and in fact the only time in my brief acquaintance with the War Department that gentlemen interested in any project followed it as closely and continuously as the gentlemen interested in this project followed it through all its various phases. It was not unusual, I should say, for anybody to walk into the office of the Secretary of War and say that he had a project along any line that he would like to have considered. The Secretary of War would always receive them courteously, but he would immediately pass them on to the proper division of the Army to consider whatever they happened to have brought before him.

Senator FRANCE. I think, Mr. Hare, if you had read all of this testimony it would not seem strange to you at all that that was done. It is a very unusual thing. The testimony shows that.

Senator HARDWICK. What I wanted to get at was this: Ordinarily these projects started with a requisition from the Surgeon General's office, did they not?

Mr. HARE. Yes, sir.

Senator HARDWICK. And then that was passed on to the Construction Division and other divisions of your department?

Mr. HARE. Until it finally reached the director of operations.

Senator HARDWICK. Yes; and then finally instead of being sent to the Secretary of War himself for his signature it was sent to the Assistant Secretary of War, as I understand the organization.

Mr. HARE. Yes, sir.

Senator HARDWICK. That is true, is it not?

Mr. HARE. That is true.

Senator HARDWICK. Now, do you remember having a conversation with Maj. Stotesbury—I believe he was in the Federal service at that time—in which you said in substance that you were tired of Herbert Erskine standing around the War Department trading on his relationship with President Wilson and putting things across and that he should not put this across, or something in substance to that effect?

Mr. HARE. No.

Senator HARDWICK. Suppose you give the substance of that conversation.

Mr. HARE. The substance of that conversation, or that portion of it, was that I said I thought it was extraordinary that Mr. Erskine

Mr. Newman or Mr.——

Senator HARDWICK. Did you refer to Mr. Erskine's alleged relationship—whether it is real or not; he said it was—to the President?

Mr. HARE. Not to my recollection; no.

Senator HARDWICK. You would not be positive that you did not?

Mr. HARE. I would not be positive that I did not, because I knew that he had made that statement—of his connection with the President.

Senator HARDWICK. Oh, yes; you knew that?

Mr. HARE. I knew that, because he had made it to me.

Senator HARDWICK. Let me see, now. That gets interesting. He had stated that to you in discussing the matter?

Mr. HARE. In one of our various interviews, and I had a great many interviews with Mr. Erskine, and as we were exceedingly busy——

Senator FRANCE. When was the first one? Do you recall?

Mr. HARE. It must have been, perhaps, on the Monday following the receipt of this report; perhaps the 21st of September.

Senator FRANCE. You may proceed.

Mr. HARE. And he would come in with exceeding frequency to find out how this thing was going on. Sometimes I would meet him in the hall, and he would always stop me, and on one occasion I took up the telephone, and the voice at the other end said: "I am speaking for the Secretary of the Treasury. Do you happen to have the key to Mr. Erskine's car?" I said: "The key to Mrs. Erskine's car? No." Well, we thought that you could get it from Mr. Erskine, because we understood he is with you." I said: "I have not seen Mr. Erskine for some time."

That was an indication of what I considered the atmosphere that they were trying to create, that this was a very important individual account of his connections, and should be given greater consideration, therefore. The impression that it did create on me was, of course, the reverse. I gave, to the best of my ability, the same consideration to every man or anyone who came into the War Department.

Senator HARDWICK. Then, Mr. Hare, you must have been in a frame of mind where it is exceedingly probable that you made the statement attributed to you by Maj. Stotesbury on that subject.

Mr. HARE. No; I am positive that I did not say that.

Senator HARDWICK. That you did not say that?

Mr. HARE. I am equally positive that I did discuss the various—  
Senator HARDWICK. I probably have not stated it very happily. I was trying to state the substance of it. I do not remember the language, the exact words that Maj. Stotesbury employed, but he told the committee something in substance like that, which made a good deal of an impression on my mind, and I think I have stated it with substantial accuracy. Now, leaving out all quibbling about words, did anything like that in substance occur?

Mr. HARE. No; not as you put it.

Senator HARDWICK. Well, if I put it wrongly, I should be glad to have you correct my version of it.

Mr. HARE. My conversation with Maj. Stotesbury lasted for about 15 minutes.

Senator BECKHAM. I suggest that the witness just tell us that conversation to the best of his knowledge and belief.

Senator HARDWICK. Yes; maybe that will serve my purpose.

Mr. ADCOCK. What date was that—what was the date?

Mr. HARE. That was in December—December 18, or somewhere around there.

Senator HARDWICK. That is about the date.

Mr. HARE. I said, "Major, you have made a report. Is there any reason why you should not tell me about it?" The major said, "The report is in the hands of the Secretary of War, and I am perfectly willing to discuss certain phases of it." I said, "From what I understand, your report was in favor of the Speedway." He said, "Yes; it was," and then he went on and made quite a long speech himself, in which he said, "I think you gentlemen did not go into the case carefully enough. I do not think your judgment was good, and I do not think you considered the Speedway from the standpoint of 4,000 beds. I think that your method of figuring was wrong. I think that the Speedway proposition should have been accepted." I said, "In the course of your investigation, did you look into the statements made in the Starrett report in connection with Mr. Erskine and Mr. Hines?" He said, "I did." I said, "Did you find out the atmosphere that had been created around this particular project by Mr. Erskine and Mr. Shank and Mr. Newman and Mr. Hines all being down here and following the case through?" To my recollection, he said, "I do not know that I paid very much attention to it." "Well," I said, "They were continuously on the job."

Senator HARDWICK. Well, now, let us see about that. I hate to interrupt you there, and I want you to complete the conversation in your own way, but I want to see exactly where that leads to. These men were proposing to build a hospital for the Government, were they not?

Mr. HARE. They were; yes.

Senator HARDWICK. Was there anything wrong in their preparing plans, and being down here to get them agreed on, and drawing up contracts under those circumstances, and looking after it?

Mr. HARE. It was unusual.

Senator HARDWICK. I know; but this was an unusual way of doing it altogether, was it not—for a private party to undertake to build a hospital for the Government? Usually you were building your own hospitals, were you not?

Mr. HARE. That is true.

Senator HARDWICK. Now, then, when a man was building one for the Government, the situation would be very different with respect to those people, would it not?

Mr. HARE. That is true, too.

Senator HARDWICK. That would require them to come down here and confer with the Government, would it not?

Mr. HARE. It would not require Mr. Erskine to be going around and trying to insist that this was a wonderful project; going into the Secretary of War's office and giving the impression that it was a thousand-dollar-a-bed hospital for 2,500 beds; and that it was practically a gift to the Government. It did not require any of that.

Senator HARDWICK. I am not speaking of that. That was the feature, then, that you thought made it unfavorable. You did not think the presence of Mr. Shank and his architects and his lawyers in connection with the contract and the specifications and plans was improper, did you?

Mr. HARE. I thought it was perfectly proper for Mr. Shank to be present and go into it.

Senator HARDWICK. You also thought it was proper for his lawyer to look over the contract that he was to sign, and help prepare it?

Mr. HARE. I did; yes.

Senator FRANCE. You thought it was perfectly proper for the Government to have these plans prepared in the Government offices, did you not?

Mr. HARE. Yes; I did not see any objection to that.

Senator FRANCE. You knew that these plans were really prepared by the Government?

Mr. HARE. As I remember it, the plans were prepared by the Government in conjunction with the architects.

Senator FRANCE. But the architects for this project took their drawing materials and went into the Government offices, ceased to be architects for the contractors, and became architects for the Government, as I understand it, in connection with this project.

Mr. HARE. I did not understand that.

Senator FRANCE. Did you think that was strange?

Mr. HARE. I did not understand that; but Col. Wright—

Senator BECKHAM. Now, we are getting away from the conversation.

Senator HARDWICK. I know we are, but—

Senator BECKHAM. We can take that up after he finishes relating the conversation.

Senator HARDWICK. So that the only thing you really find to criticize in that respect was Mr. Erskine's activities, was it?

Mr. HARE. No; I can not say that was the only thing.

Senator HARDWICK. I am asking for information. Was there anything wrong in the lawyer being there to look after the contract?

Mr. HARE. No; not to be there to look after the contract; but I thought that to have all of the parties in interest so continuously in Washington, and spending days with the Construction Division over this particular project, showed an intense desire on their part to have the project put through. I think Col. Wright will testify to the fact that never in his experience in the construction depart-

ment had he been as much—I will not say bothered—but had as much of his time taken up with the discussion of the plans and the project as he had in this particular instance.

Senator HARDWICK. Well, they may have felt a very great interest in it; I do not know; but still, that is not discreditable to them, is it?

Mr. HARE. Oh, no; certainly not.

Senator HARDWICK. Of course, I understand that your strictures on Mr. Erskine are of a different status entirely, as I understand your testimony.

Mr. HARE. I thought that Mr. Erskine was trying to create an atmosphere that this entire project had the sanction—

Senator HARDWICK. You thought he was kind of trying to lobby the project through; is that right?

Mr. HARE (continuing). That this project had the sanction of very big people.

Senator HARDWICK. You thought he was trying to create that atmosphere?

Mr. HARE. I thought so.

Senator HARDWICK. And, of course, you thought that was manifestly improper?

Mr. HARE. I thought so; and I do think so.

Senator HARDWICK. I can unuerstand that.

Senator BECKHAM. Did you get through relating the conversation you had with Maj. Stotesbury?

Mr. HARE. No.

Senator BECKHAM. I would like you to continue that.

Mr. HARE. I then said, "What pains did you take to find out the truth of the accusation against Mr. Trainer?" He said, "I made an investigation which satisfied me." I said, "Did you call Trainer and examine him? Did you call Maj. Holden, who was the chief of his division, and examine him?" He said, "No; I did not call either of them." I said, "You did not call me, either, in connection with this thing." He said, "No; I did not think it was necessary to call any of them." I said, "I think your investigation was not a thorough one," and, as I remember it, the interview stopped there.

Senator BECKHAM. What was said about Mr. Erskine in that conversation?

Mr. HARE. I think I said, to the best of my recollection, that Erskine was creating this atmosphere, about his great anxiety to have this project put through; he was coming in to see me and talking about it all the time; and as he was not a party in interest, I finally, I think, told Mr. Hines on one occasion that I preferred very greatly to take the matter up with him rather than to discuss the case with Mr. Newman and Mr. Erskine. I think I said that to Mr. Hines.

Mr. HINES. I have testified to that.

Senator HARDWICK. Did you say something about Mr. Erskine to Maj. Stotesbury, referring to the atmosphere he was trying to create, and connecting with that the statement that he was claiming relationship with the President of the United States?

Mr. HARE. No.

Senator HARDWICK. That you deny?

Mr. HARE. That I deny.

Senator BECKHAM. That is all I want to ask.

Senator HARDWICK. Now, coming back to finish this conversation, you did not have any personal knowledge of the facts about any one of these parties besides the association you have related to the committee?

Mr. HARE. No, sir.

Senator HARDWICK. And then, in regard to this matter you exercised your judgment under the facts as you thought they were, in a relative and comparative way, as between these several projects, and that was the real reason for the rejection of the Speedway project?

Mr. HARE. Yes.

Senator HARDWICK. When the proposition was amended in accordance with your suggestions, did that make a difference in the status?

Mr. HARE. It made a consideration all over again; but again, from the same standpoint, which was always present in my mind and Mr. Crowell's, the question was, "Do we want to invest in land and buildings, or do we want temporary construction," and we decided as long as this temporary construction had the support of the Fire Underwriters' Association, of which I knew that every project that come through the construction division had been passed on by this board that had been set up for some time, as to the fire hazard, and with before us the contract for the Field Museum, which at that time was expected to hold 4,000 beds as against the 2,500 beds of the Speedway, and with the cost of \$400 a bed as against a cost of \$780 of the Speedway, per bed, we again decided it in the same way.

Senator HARDWICK. Let us examine that question a little. Of course I can understand why, when you were making temporary provisions, or thought you were, for a large number of wounded soldiers, the temporary arrangements had an attraction that permanent arrangements would not necessarily have; but a certain amount of these hospital accommodations had to be permanent, anyhow, in order to provide for the future permanently, and did you ever consider the relation that the cost figures might bear to the one sort or the other kind of hospital, temporary or permanent, when you could get a permanent hospital, fireproof, and one of the finest in the country for \$700 a bed, instead of a temporary one that could be used only a year or two and then would be turned back to the owners of the property, for \$400 or \$500 a bed?

Mr. HARE. Yes; we considered it.

Senator HARDWICK. Did it not strike you that there was some merit in the other view of this hospital matter?

Mr. HARE. No, sir; because another controlling factor there was this. What the Surgeon General wanted was 10,000 beds. At first, that was his estimate. Therefore, we wanted beds, and we did not want permanent construction. What we wanted was a certain number of beds near Chicago, in the general vicinity. We could get 5,000 beds at Fort Sheridan and 4,000 beds at the Field Museum.

Now, later on they revised their estimate, and at the time that we considered the Speedway as against the Field Museum, if I recollect correctly, their requirements then had dropped to something like 8,000 or 8,500 beds instead of 10,000. We already had 5,000 beds at Fort Sheridan, and we could get 4,000, which gave us quite a little



leeway, by taking that; and if we had taken the Speedway that would have given us only 2,500 beds, and we would still have had to get additional beds.

But, in fairness to myself, I want to say that there never occurred to my mind the apparently disagreeable comparison which I think is in some gentlemen's minds, between what we call temporary construction and permanent construction, because I had been through these buildings, and I had seen that they answered every necessary purpose. I had been at Fort Sheridan, and I had been there several times, because my brother was stationed there with the Cavalry, and I knew it was a splendid site, and there were post buildings there that could be arranged for 3,000 beds, and I know that we could rapidly put up additional construction.

They brought up at the time several of these gentlemen and said, "We have 300 acres, all splendid land, at the Speedway." That, of course, is an advantage to every hospital, but there is plenty of vacant land around Fort Sheridan. Fort Sheridan stands high above the lake in a beautiful country, and that gives the convalescents every opportunity in that way.

Senator FRANCE. How many men were there on this commission—Col. Noble, Mr. Trainer, and Mr. Schmidt?

Senator HARDWICK. There were only three on that commission.

Senator FRANCE. Only three? I thought there were five.

Senator HARDWICK. No; only three.

Senator LENROOT. Can you tell us on what date you made your final recommendation to Secretary Crowell for the disapproval of the original proposition?

Mr. HARE. On September 26, I think.

Senator LENROOT. September 26?

Mr. HARE. I can verify that.

Senator LENROOT. I would be glad if you would.

Mr. HARE. September 26 the Fort Sheridan Hospital was approved.

Senator LENROOT. Did you have more than one telephone conversation with Gen. Noble concerning this matter?

Mr. HARE. Not at all.

Senator LENROOT. In relation to the relative merits of the Speedway and the Field Museum hospitals?

Mr. HARE. No, sir; I am positive I did not.

Senator LENROOT. That was October 3?

Mr. HARD. That was October 3.

Senator LENROOT. After you had rejected it?

Mr. HARE. Oh; that was in comparison with the Field Museum!

Senator LENROOT. That was what I said. That was my question; after you had rejected the Speedway?

Mr. HARE. After we had rejected the Speedway on the first proposition, in comparison with Fort Sheridan.

Senator LENROOT. So that the Speedway proposition was not before you or this commission at the time of this telephonic conversation? It had been rejected, and there had been no new proposition made?

Senator HARDWICK. The supplemental proposition was not made at that time?

Mr. HARE. The supplemental proposition was made prior to that time, I think.

Senator LENROOT. No; October 12.

Senator HARDWICK. October 12 is the date of it.

Mr. HARE. That may be correct; but I knew we had given them permission, and asked them to make a supplemental proposition which was coming up before us. That was the reason that I asked Gen. Noble at that time.

Senator LENROOT. I would like to read you the testimony of Mr. Schmidt. Mr. Bennet was examining him. I read from pages 557 and 558 of the typewritten transcript as follows:

Mr. BENNET. Who first brought the matter of the Field Museum to the attention of the commission?

Mr. SCHMIDT. That I do not know.

Mr. BENNET. Did Mr. Trauer have anything to do with the matter?

Mr. SCHMIDT. I do not know that he had. I can only say that when Gen. Noble called on me with Col. Wright on September 23 and informed me that I had been appointed on this commission, it was said either on that day or the following day that we were going down to see the Field Museum. That was the first intimation that I had that it was under consideration. I do not know where it ever originated.

Mr. BENNET. Were you present when Gen. Noble had any conversation with persons from Washington regarding the Speedway?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. Did Gen. Noble ask or urge the approval of the Speedway?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. And did the subcommittee tell you what had been told him? Of course, you could not tell what had been told you in confidence?

Mr. SCHMIDT. Yes, sir.

Mr. BENNET. What did he say had been told him from Washington?

Mr. SCHMIDT. He said it would not be approved.

Mr. BENNET. Who did he say told him that over the wire?

Mr. SCHMIDT. My recollection is that he talked with some one in his department, but I do not know whom.

Mr. BENNET. You are not certain of it?

Mr. SCHMIDT. No, sir; Col. Kramer, possibly, but I am not certain.

That conversation was not held with you?

Mr. HARE. Not held with me.

Senator LENROOT. And you have no reason to question the accuracy of the statement of its having taken place?

Mr. HARE. None whatever.

Senator LENROOT. And that the commission were informed not to consider the Speedway on September 23, because it would be disapproved?

Mr. HARE. No.

Senator LENROOT. In the report of the conversation had with Gen. Noble on October 3, he stated as follows, in answer to a particular question. This is the question. (Reading:)

If the proposition were put before you to-day to select a site for a 2,500-bed hospital, which of the various sites under consideration would you prefer, and what would be the order of your preference?

That is the question, and Gen. Noble stated he would prefer the museum site, as he believed it is better in every way; and that as between Marquette Park and the Speedway Park, he would be equally satisfied with either.

Do you feel certain that you correctly understood Gen. Noble over the phone, and that this is a correct statement of what he said?

Mr. HARE. I am positive of it.

Senator LENROOT. That he told you that as between the Field Museum and the Speedway he preferred the Field Museum?

Mr. HARE. Yes.

Senator LENROOT. You are certain of that?

Mr. HARE. Yes, I am.

Senator LENROOT. Gen. Noble is in France?

Mr. HARE. I am sorry to say he is.

Senator FRANCE. Do you know whether Gen. Noble was speaking as an individual, for the Surgeon General's office, or for this commission?

Mr. HARE. I presume he was speaking in his official capacity, of course.

Senator FRANCE. Well, he had several official capacities.

Mr. HARE. As to whether he was speaking for the Surgeon General's office or the commission, I do not know. I have no means of knowing.

Senator FRANCE. You did not feel it incumbent upon you to talk with the other members of this commission, made up of Gen. Noble, Mr. Trainer, Mr. Schmidt, and Col. Wright, with reference to the matter?

Mr. HARE. Do you mean Col. Wright, of the Construction Division?

Senator FRANCE. Yes.

Mr. HARE. I did discuss the matter with him on several occasions.

Senator FRANCE. He was inclined to be favorable to it?

Mr. HARE. He was inclined to be favorable to the Speedway proposition as a single proposition.

Senator FRANCE. And Mr. Schmidt's testimony shows that he was in favor of it, considering it a better proposition than the Field Museum?

Mr. HARE. I do not know that of my own knowledge.

Senator FRANCE. Do you know whether the Surgeon General's office ever rescinded its approval of this project so that its action might be in harmony with Gen. Noble's recommendation?

Mr. HARE. No; I do not know.

Senator FRANCE. You do not think that Gen. Noble was acting in his official capacity for the Surgeon General's office when he called you up over the phone and made a recommendation contrary to the former recommendation of the Surgeon General's office—a recommendation approved, I believe, by Gen. Ireland?

Mr. HARE. I never heard that Gen. Ireland had approved the proposition until I heard it the other day.

Mr. ADCOCK. I think that Gen. Ireland was not in there until afterwards.

Senator FRANCE. Well, he was in afterwards; that is true.

Senator HARDWICK. This proposition has been pending since he has been in, and he expressed his approval.

Senator FRANCE. It was approved by the office, and he expressed his approval after going in.

Senator FRANCE. Was Gen. Noble or not acting officially for the Surgeon General's office when he merely called you up over the phone and said these words of which you have made an informal record?

Mr. HARE. I would not like to answer that. My answer would be at, of course, he was either the Acting Surgeon General or a very high officer in the Surgeon General's office, and he was head of this mission.

Senator FRANCE. Is it not true that in the Army you have a regular, formal method of procedure by which reports are made in writing by one department to the other?

Mr. HARE. Yes.

Senator FRANCE. And by the departments to the Secretary of War?

Mr. HARE. Yes.

Senator FRANCE. Would you have been inclined, in view of that fact, to believe that a mere telephone conversation could rescind such formal and regular recommendation as was made by the Surgeon General in the regular way?

Mr. HARE. Oh, certainly not. I thought it was an individual opinion of the general's.

Senator FRANCE. That is it. In other words, you accepted this opinion as an individual opinion, and not as the opinion of General Noble, representing the Surgeon General's office?

Mr. HARE. Yes; as I received the opinions of all the others.

Senator FRANCE. Just two other questions, and then I am through. Would you consider that the rental of \$1,020,000, approximately, for 10 years, for the Field Museum, in that, of course, being included in the price of putting it in shape for a hospital and the cost of restoring it to its original condition, to be a favorable one so far as the Government was concerned?

Mr. HARE. We boiled everything down to the cost per bed. That was our way of looking at it. Boiled down to the fact that we had 1000 beds there, and the cost was \$420 a bed, I think. I thought, of course, that all the prices were extraordinarily high in everything we were trying to do at that time.

Senator FRANCE. Were you aware that owing to the stress of war and the haste in preparing an unprepared country for war it was not always possible to go through all the legal formalities in the making of contracts?

Mr. HARE. I did not know anything about that until, of course, my knowledge of the thing when we went into that to-day, that there were thousands of contracts that there was no time for, and quite properly the business men of the country went ahead, and I have formed myself on that since Friday, because it was not perfectly clear to me.

Senator FRANCE. You did not know it at that time?

Mr. HARE. I did not know it at that time. I knew this at that time, that there was not a single construction contract that had ever gone forward without the signature of the Secretary of War.

Senator FRANCE. That brings us to this point. Of course, in a general way you were deciding upon the project which would be the most favorable financially to the country?

Mr. HARE. And which would give us the requisite number of beds. Those two things, I think.

Senator FRANCE. But as between the Speedway and the Field Museum, you were endeavoring to ascertain which would be the more favorable proposition—

Mr. HARE. To the Government.

Senator FRANCE. So far as the financial end was concerned. Did you take into consideration at that time the possibility of the Government being bound by an unfavorable contract?

Mr. HARE. Most carefully. I went into that so carefully that I went to Mr. Crowell and said I thought that we should ask Mr. Dorr, a member of his staff, who is an attorney, to examine all the witnesses, and Mr. Dorr examined Mr. Shank and Mr. Newman and gave an opinion that they were not morally bound, and I think the evidence supports that.

Senator FRANCE. Did you read the contract, or the tentative contract, between the Government and—

Mr. HARE. I read part of it; not all of it.

Senator FRANCE. Not all of it?

Mr. HARE. No, sir.

Senator FRANCE. You did not know at that time that the former architects of the Shank Co. had disconnected themselves with that company, and had associated themselves with the Government and that they were working in the Government offices?

Mr. HARE. No; I did not know that.

Senator FRANCE. Drawing plans for this hospital?

Mr. HARE. I did not know that they had disassociated themselves from that company or that they were with the Government.

Senator FRANCE. Would not that be an important fact, in your consideration?

Mr. HARE. My information was that they were not connected with the Government.

Senator FRANCE. Was or was not that an important fact to be taken into consideration in determining the question as to whether a moral or an informal contract had been entered into?

Mr. HARE. I think it was.

Senator FRANCE. But you did not inquire into that?

Mr. HARE. I inquired into the whole thing. I inquired into that part of the case most carefully with the officers of the Construction Division.

Senator FRANCE. But you did not know of that fact, so that you could not have inquired into that fact, because you were ignorant of it until to-day?

Mr. HARE. I had knowledge of the fact that they were there, but I thought they were representing their own affairs, and we had our contracts and our own officers.

Senator FRANCE. You knew that these architects were in the employ of the Shank Co.?

Mr. HARE. You mean Schmidt, Garden, and Martin—that contractor?

Senator FRANCE. Yes.

Mr. HARE. They were not in the employ of the Government.

Senator FRANCE. Did you know this: Did you know that they disconnected themselves with the Shank Co. at the request of the Government or at the request of one of the Government officials, and that having done so in a formal and legal way they entered the offices of the Government and began to prepare plans for this hospital?

Mr. HARE. My understanding was that they were the firm of architects who had been told that if it was decided to go forward with the

Speedway Hospital they would be employed, but they had never been formally employed.

Senator FRANCE. By whom?

Mr. HARE. By the Government; and that they were acting independently in everything they did, with the understanding that if the thing went through they would be employed by the Government as its architects.

Senator FRANCE. Then, did I misunderstand when I understood you to say that until to-day you had not known that they worked in the Government offices preparing plans?

Mr. HARE. No; I did not know that they had worked in the Government employ, because that was not my understanding of the case.

Senator FRANCE. But did you not know that they were working in the Government offices?

Mr. HARE. I think I knew that they were going over the plans in the Government offices.

Senator FRANCE. Did you not know that they had formally disconnected themselves from the Shank Co.?

Mr. HARE. No; I never connected them with the Shank Co. at all.

Senator FRANCE. What?

Mr. HARE. I never connected them with the Shank Co. at all.

Senator FRANCE. You did not know that they were the architects, or did not assume that they were the architects, for the projectors of these plans?

Mr. HARE. No; I did not know that.

Senator FRANCE. I misunderstood your testimony, then.

Mr. HARE. In fact, I do not remember them having called Shank in, of those architects. I knew that a firm of architects were working with the construction division, going over the plans, and I understood that the construction division had said to them, "If we go through with this thing we will employ you."

Senator FRANCE. Is Mr. Dorr an attorney?

Mr. HARE. Yes, sir.

Senator FRANCE. And he made personal examination of all of the circumstances?

Mr. HARE. And advised that there was no moral obligation to go ahead.

Senator FRANCE. That is all I have to ask.

Senator LENROOT. Let me ask another question. When was the second proposition rejected, the one of October 24? Do I understand you that you relied upon Gen. Noble's conversation over the phone, wherein he said that he preferred the Field Museum to the Speedway?

Mr. HARE. I relied on it as a mere statement from him. It was by no means the controlling factor in my action, at all.

Senator LENROOT. On October 14 Col. Dickinson—what is his relation?

Mr. HARE. Col. Dickinson is, as I understand it, the head of the Surgeon General's Office on the Staff, in the office of the Director of Operations.

Senator FRANCE. On October 13 Col. Dickinson made a memorandum for Gen. Jervay which you referred to in your report to the Secretary of War and attached. Do you remember that?

Mr. HARE. Yes, sir.

Senator LENROOT. I would like to read this memorandum. [Reading:]

WAR DEPARTMENT,  
OFFICE OF THE CHIEF OF STAFF,  
Washington, October 19, 1918.

Memorandum for Gen. Jervey:

Subject: Field Museum, Chicago, as hospital.

1. In view of recent developments abroad, an excess number of beds should not be sanctioned at this time for any one district. The need for the period of a year for this district will be covered by adding to the provision already made at Forts Sheridan and Cooper Monotah either the Field Museum or Maywood. There is no question which would be the better hospital project. Maywood is preferred by the Surgeon General as well as by the Construction Division of the Quartermaster General's Office and the Operations Division of the General Staff.

So that, do I understand you now that as between the opinion of the Surgeon General and Gen. Noble's personal expression, you relied upon Gen. Noble and not upon the opinion of the Surgeon General?

Mr. HARE. I should have relied upon Gen. Noble instead of Col. Dickinson, as being a man of much greater experience, at any time.

Senator LENROOT. I mean in the case of a conflict between the opinion of Gen. Noble and the opinion of the Surgeon General?

Mr. HARE. Yes; I will read to you this. Following that report of Dickinson, Gen. Jervey sent this memorandum to the Assistant Secretary of War on October 25:

WAR DEPARTMENT,  
OFFICE OF THE CHIEF OF STAFF,  
Washington, October 25, 1918.

Memorandum for Assistant Secretary of War—Field Museum: New data.

Information has just reached the operations division to the effect that the experience of Paris with a building similar to the museum, which was converted into a hospital, has been so unsatisfactory that steps in construction should not be taken until further information is obtained. Col. Duval, of Paris, one of their leading Army surgeons now in the United States; Mr. Butler, the architect; and others should be able to furnish this advice, or it can be obtained by cable.

HENRY JERVEY,  
*Brigadier General, United States Army, Assistant Chief of Staff.*

Mr. Butler was a very well-known hospital architect, and with two other gentlemen he had been asked by the Assistant Secretary of War to look into general plans for hospitals. Col. Dickinson had quoted him, or rather misquoted him, to Gen. Jervey, and Gen. Jervey had thereupon written this letter. I saw Mr. Butler, and he signed that first statement on the 25th. [Reading:]

WAR DEPARTMENT,  
Washington, October 25, 1918.

Memorandum for the Assistant Secretary of War.

Mr. Hare has called my attention to the note signed by Gen. Jervey with reference to the availability of the Field Museum for hospital purposes. The building to which I referred in my conversation with Col. Dickinson yesterday, the "Grand Palais," is totally different in character from the Field Museum so far as I am able to judge from the plans and photographs shown me this morning; the objection to the Paris hospital arising from the enormous height of the ceilings and the drafty conditions of wards resulting therefrom.

Mr. Stevens and I have looked over the plans for the Field Museum hospital and we believe that with the omission of about half of the beds on the first

floor and a consequent reduction in capacity from 4,300 to 3,500, the use of the building will be justified under the present emergency, provided that certain minor changes in detail are carried out.

CHESTER BUTLER.

Now, I have impressed upon my mind the fact that Col. Dickinson had rather jumped at a conclusion.

Senator LENROOT. My question was directed to the conflict between Gen. Noble's statement and the opinion of the Surgeon General's Office, wherein he states that Maywood is preferred by the Surgeon General as well as by the construction division. Did you make any effort to ascertain whether that was so or not?

Mr. HARE. We knew that that was so.

Senator LENROOT. That is subsequent to that telephone conversation with Gen. Noble?

Mr. HARE. You mean that is in conflict with Gen. Noble's statement?

Senator LENROOT. Yes.

Mr. HARE. I suppose that junior officers are constantly overruled, and that any officer has a right to express his individual opinion, in whatever position he may be, but that does not bind his superior.

Senator LENROOT. I understand that. And then do I understand that as between the official determination of the department, in view of all the facts, as between the Field Museum and the Speedway you took the opinion of the junior officer as to which was the better adapted for a hospital rather than the opinion of the head of the department?

Mr. HARE. That was not by any means the controlling factor.

Senator LENROOT. Not controlling; but you did rely upon it and not upon the official judgment of the department?

Mr. HARE. If Col. Dickinson represented the official judgment of the department.

Senator LENROOT. Did you make any effort to find out whether he did represent them or not?

Mr. HARE. Yes; I did, because he was a physician on the staff. At least, I understood that he did.

Senator FRANCE. You did not consider the fact that when this recommendation was sent by the Surgeon General to the Secretary of War, that was the official action of the department?

Mr. HARE. Certainly not.

Senator LENROOT. My question is this: I wanted to know whether or not we are to assume from this statement, you having made no investigation as to its integrity, that as between the Field Museum and the Speedway, the Surgeon General's department preferred the Speedway?

Mr. HARE. I thought the Surgeon General's department did prefer the Speedway.

Senator FRANCE. Yes; but you relied upon Gen. Noble's judgment—

Mr. HARE. Oh; no, sir.

Senator FRANCE (continuing). In part? You said you did.

Mr. HARE. As a very small part of the matter.

Senator FRANCE. Upon whom did you rely?

Mr. HARE. I relied upon all the facts, as I said before.



Senator FRANCE. As you have repeated several times, you relied upon the judgment of others to ascertain the facts. Now, you have not relied upon the Surgeon General and you have not relied upon the construction division. You now say that you have not relied upon Gen. Noble. Upon whom did you rely?

Mr. HARE. I took all the various facts into consideration, to repeat what I tried to say.

Senator FRANCE. But you said that you did not rely——

Mr. HARE (continuing). In the beginning they were looking upon this thing, not as between various projects, but they were making statements as to one single project. In that particular case, I think, they made a comparison between the two.

Senator HARDWICK. And so did Starrett; between three; by your office.

Mr. HARE. Yes.

Senator HARDWICK. And reported against the view you adopted.

Mr. HARE. Yes.

Senator FRANCE. Yes; that was Col. Starrett.

Mr. HARE. Yes. His report was favorable to the Speedway.

Senator HARDWICK. And comparatively, too.

Mr. HARE. No; I do not think comparatively.

Senator HARDWICK. The report speaks for itself.

Mr. HARE. I think his report was not comparatively.

Senator FRANCE. You say you took the general facts into consideration, whereas your testimony is clear, and all the circumstances confirm your testimony, that you yourself could not have looked into all the facts, and that you had to rely upon others for the ascertainment of those facts.

Mr. HARE. That is true.

Senator FRANCE. And yet you do not tell us upon whom you did rely for those facts, except that you did not rely upon these various agencies which have been enumerated. Now, I must say, as a member of the committee, that I am totally in the dark as to how you reached any judgment concerning this matter.

Senator HARDWICK. Did you ever talk to Mr. Trainer about it?

Mr. HARE. About this?

Senator HARDWICK. Yes.

Mr. HARE. I have talked to him several times.

Senator HARDWICK. At that time?

Mr. HARE. At that time; no.

Senator HARDWICK. Before either the first or second decision?

Mr. HARE. Never; never talked to him about it.

Senator HARDWICK. Until it was finally rejected by the department?

Mr. HARE. Until it was finally rejected by the department. I never talked with Mr. Trainer until he came in touch with me with reference to these charges.

Senator FRANCE. Did you know he was a member of this commission of which Gen. Noble was a member?

Mr. HARE. I may have known it.

Senator FRANCE. You did not know the personnel of that commission?

Mr. HARE. It may have been stated to me, but I can not answer that I ever knew it.

Senator HARDWICK. Do you know a Chicago man named Hodge?

Mr. HARE. Hodge? Yes, sir.

Senator HARDWICK. Did you know him at that time?

Mr. HARE. I knew him at that time.

Senator HARDWICK. Did you discuss this with him?

Mr. HARE. No.

Senator HARDWICK. Did you ever talk to any Chicago man about it?

Mr. HARE. Yes; I talked to Hunt, this architect.

Senator HARDWICK. Hunt?

Mr. HARE. Yes; the first time I met him. Mr. Crowell introduced him and he was a man who had a lot of plans for hospital buildings.

Senator HARDWICK. In Chicago?

Mr. HARE. He was a Chicago architect, and he had certain special plans which he considered were better than the plans that the construction division was using.

Senator HARDWICK. Better than the standard plans that the department was using?

Mr. HARE. Yes.

Senator HARDWICK. Did you talk to him about this Speedway?

Mr. HARE. I talked to him about the general situation there, and he was familiar with these other parks there and he spoke to me about Marquette Park, of which I had no previous knowledge, and other parks in Chicago.

Senator HARDWICK. Did he say anything about the Speedway?

Mr. HARE. Not that I recollect?

Senator HARDWICK. Did anybody ever state to you that this was a marshy place—under water?

Mr. HARE. The only place I heard that was in the Hornsby report.

Senator HARDWICK. The Hornsby letter, to the Secretary of War?

Mr. HARE. Yes, sir; the Hornsby letter to the Secretary of War.

Senator HARDWICK. Did you see that?

Mr. HARE. I never saw it, but Mr. Crowell said that he had written this letter in which he said that the whole thing was marsh.

Senator HARDWICK. Did he tell you that before you wrote this letter?

Mr. HARE. Afterwards. I had nothing before me that indicated that that land was not all right.

Senator HARDWICK. You had nothing before you except what was indicated before the committee this morning?

Mr. HARE. So far as I can recall. I would not like to make that definite statement.

Senator HARDWICK. If there is anything else you had, we would like to know it.

Mr. HARE. I should like to be given an opportunity to go over my papers before answering definitely on that.

Senator HARDWICK. We will be glad to have you have that opportunity, and if you can tell us anything else that you had, please let us have it.

Senator LENROOT. I should like to ask you this question. I understand your testimony is this about the situation, that you rejected the judgment of all these people and relied upon your own judgment, in view of the facts that they gave to you?

Mr. HARE. That is not the statement. We went into the entire matter, both Mr. Crowell and I, we considered it with great care, and we discussed the conditions and the facts in their bearing one with the other, and we decided on each project as it came up. We decided that the Fort Sheridan project was better than the Speedway, because it was better not to own permanently land in conjunction with projects for hospitals when we had our own reservations. We considered the Fort Sheridan project better than the Speedway because it gave us adequate beds; 7,500 as against 2,500 at the Speedway. We decided the second question along the same line.

Senator LENROOT. Did Mr. Crowell influence your judgment in any way?

Mr. HARE. Not in the least. I think we talked it over.

Senator LENROOT. Then you rejected the recommendations that were made, and relied upon the facts that were before you?

Mr. HARE. We had to rely upon them.

Senator LENROOT. That is what I am asking you. Did you not assume the responsibility of acting upon your own judgment upon the facts that were before you?

Mr. HARE. After the facts were before me, the decision had to be made in our own office.

Senator LENROOT. May I ask you this: It is possible—we are all human—that with this irritation that you felt against Mr. Erskine—you might have been influenced by that?

Mr. HARE. I have asked myself that question, because I want to be absolutely fair. My answer is that it did irritate me very much, what he did. I want to tell you exactly my feeling about the matter. I was trying very hard, at the head of this national commission, to help speed up this war. I was working on these matters pretty much all the time, which took me all over the War Department, going about from one office to another, office-boy work, to see if I could not hurry up this and that and the other thing which they indicated were going slowly. Instead of being left to a careful investigation, I was continually interrupted by Mr. Erskine coming in and asking, "What do you think of this," and "What do you think of that?" I could not get down to it and make a careful investigation of it. I had before me all the time the idea that we wanted beds, and in a good, sound structure, and for as little money as we could get them for.

Senator FRANCE. You did not understand, however, that this very project had been started in such a way as to hasten it to its conclusion? In other words, had you read the clause in the contract which stated that haste and time was the essence of the whole matter?

Mr. HARE. I think I did; but the thing that surprised me very much was—

Senator FRANCE. But you did not take into consideration the fact that the construction division had been making an effort to get hospitals as quickly as possible when they conducted these negotiations with these gentlemen from Chicago?

Mr. HARE. I did take that into consideration, that they were working night and day trying to prepare plans.

Senator HARDWICK. Here is one letter from Dickinson, or a memorandum for Gen. Jervoy, dated October 19, 1918, and it opens with this statement:

In view of recent developments abroad, an excess number of beds should not be sanctioned at this time, for any one district.

wonder if you did not make a definite decision as to how many were needed?

Mr. HARE. I thought that the requirements were from 10,000 to 20,000.

Senator HARDWICK. That would make a difference whether you needed the Speedway at all or not?

Mr. HARE. No, sir. From the knowledge I had I knew we had 10,000 and we could get 4,000 at one crack, or approximately 4,000, of the Field Museum, and naturally we did not need the Speedway.

Senator HARDWICK. So that when you came to your second decision, of October 26, you were confronted with a different set of circumstances as to the needs from what you had confronting you on the first occasion?

Mr. HARE. We were; and I am glad that you have brought that up.

Senator HARDWICK. I thought you had; and I thought that probably made all the difference in your decision.

Mr. HARE. It had something to do with it.

Senator HARDWICK. It had all to do with it, did it not?

Mr. HARE. I do not think so, but it had a very important bearing.

Senator HARDWICK. It had important weight. On the contrary, I look at the matter this way—I am presenting this matter rather formally—these people came down here and apparently their project was approved by everybody, finally going to the Secretary; having the approval of the Surgeon General's office, the War Construction Bureau, and everybody else; and even if they made a mistake, these gentlemen, in good faith, were trying to prepare for the possibility that you and all thought you were going to have to take care of, and the question is whether you ought not to take that into consideration in passing upon the question rather than to leave that on a technical point because the country's situation has changed, the country does not require so many hospitals?

Mr. HARE. I should not think of leaving them out on a technicality, I should look carefully into the question whether they had any claim on whatever, or whether we were under any moral obligation in considering that question.

Senator HARDWICK. They have got a lot of testimony here, and if I really thought that, no matter what other people say, you have already mentioned the fact that thousands of millions of dollars were paid up under these contracts, of men who did not have any legal right to get the money, yet we have provided for their relief here.

Hines testifies that he furnished \$30,000,000 worth of lumber without any contract.

Mr. HARE. There was a definite difference between a program under which an order was given over the telephone to Mr. Hines, or some other big producer in the country, "We want shells," or any such thing, and such a case as this. They had the right to sign a contract. The Construction Division never had the right to sign any contract. I am not a lawyer. I asked him to look into the question.

Senator HARDWICK. There is no legal liability, probably. There is no doubt about that.

Senator FRANCE. My idea from the testimony is this: The usual machinery of the Government did not function in its normal way in

this case. The Government as a rule has to rely upon the findings of the various experts in the divisions of the Army for the determination of its policy. The Construction Division recommended this. The Surgeon General recommended it. Col. Starrett recommended it. Gen. Noble recommended it. It was to be presumed, in view of all the circumstances, that it would be approved. You disapproved it, for reasons which do not appear.

We do not find upon whose recommendation you did disapprove it. Now, the fact of the matter is that there was a charge made, as the testimony shows, that a commission was denied which had been asked. We only are relying upon the testimony. The committee is very anxious to know, without prejudice against anyone, as to whether or not there is any connection between that demand for a commission and the sudden stoppage of the whole machinery of the Government, and its failure to operate in its normal and proper way?

Mr. HARE. Not at all.

Senator FRANCE. We do not suspect that you knew of any improper influence, but the testimony is clear that the machinery of the Government did not operate in its normal way in this case. That is the reason I have been trying to ascertain from you upon whom you relied for the facts which you could not ascertain for yourself, for the judgment which you could not make for yourself, in the absence of those facts; upon whom you relied in reaching this judgment which stopped the normal action of all the governmental machinery in this particular instance, and in this almost isolated instance; because while there is testimony to show that there are some other instances where similar projects were stopped, this, in its magnitude and in its character, is almost an isolated instance. Now, anything you can give me further in relation to the personnel, in relation to the men upon whom you relied, I would like to have.

Mr. HARE. I should like, with your permission, to correct the statement that this stopped in a remarkable way the normal functioning. The Secretary's office is there to stop certain projects if in their influence they are not for the good of the country, and it will stop them anyhow.

Senator FRANCE. I do not care to go into that.

Mr. HARE. The regular bureaus of the Army can come up day after day with certain projects, and the Secretary of War can turn them down. As I understand it, that is what he is there for.

Senator FRANCE. We understand that the Secretary of War could not pass upon these projects. It is as clear as the day. The testimony of Secretary Crowell is perfectly clear that he could not pass upon all these projects himself by an individual investigation; that he had to rely upon some one; that he did not rely upon the ordinary agencies of the Government; that he did not rely upon the Construction Division; that he did not rely upon the Surgeon General's office, but that he relied upon you. Now, you do not tell us upon whom you relied.

Mr. HARE. I relied upon all these various agencies of the Government, and when I got all their facts before me, I then took up the matter and decided, as I tried to make clear this morning.

Senator FRANCE. You relied upon a state of facts and did not rely upon their conclusions?

**Mr. HARE.** I did not rely upon their conclusions; with the whole story before me, as to the merits and demerits of each particular case.

**Senator HARDWICK.** I just wanted to ask one other question about the Dickinson report. He says:

Maywood (Speedway Park) can be made ready three or four months earlier than the museum.

Do you agree with that statement?

**Mr. HARE.** I remember that statement. My recollection is that that was proved not to be the case.

**Senator HARDWICK.** What was the nature of that proof?

**Mr. HARE.** I am not sure. I think that the construction division later revised its time for fixing the Field Museum.

**Senator HARDWICK.** It added 10 days to it?

**Senator LENROOT.** I think that is right. I am not very clear on that.

**Senator HARDWICK.** It added?

**Mr. HARE.** Yes.

**Senator HARDWICK.** That is what you said, is it not?

**Mr. HARE.** I am not very clear on that.

**Senator HARDWICK.** They added 10 days in order to give a little additional time for the architects.

**Senator LENROOT.** In the situation you were then in, would you consider that an important factor?

**Mr. HARE.** No; because we had time enough. The department had been forehanded enough, and as a matter of fact we have plenty of beds as it is to-day. I mean, we would have had plenty of beds.

**Senator HARDWICK.** Even if the armistice had not been signed?

**Mr. HARE.** We would have had plenty of beds even under those conditions, with 5,000 at Fort Sheridan.

**Senator LENROOT.** I read again from this report of Col. Dickinson:

Maywood (Speedway Park) can be made ready three or four months earlier than the museum. It will constitute an excellent modern hospital of permanent construction, as compared with a relative makeshift like the museum, wherein quarters for the sick must be adjusted as best they may to architecture of the monumental type.

Did you consider the relative merits from the standpoint of the comfort and safety of the soldiers?

**Mr. HARE.** I did. I think Col. Dickinson's statement is entirely too strong in that letter. The museum is not a makeshift.

**Senator LENROOT.** In a word, you set up your own judgment against the Surgeon General's office?

**Mr. HARE.** No; I do not. I based that upon the calculations of very eminent architects.

**Senator LENROOT.** I say, you based that upon your own judgment rather than upon the facts from the Surgeon General's office?

**Mr. HARE.** Yes.

**Senator HARDWICK.** It is 1 o'clock, and we will take a recess now.

(At 1 o'clock p. m. the subcommittee took a recess until 2 o'clock p. m.)

#### AFTERNOON SESSION.

The subcommittee met at 2.10 o'clock p. m., pursuant to the taking of recess.

Senator HARDWICK. The committee will resume its hearing. The other members will be up shortly. They are now detained on the floor temporarily, but we will not detain Mr. Hare any longer and will proceed.

Now, Mr. Hare, I think the members have about concluded the questions they wanted to ask. We will permit, I find after conference with my colleagues, counsel on both sides of this hospital project, to propound such questions as are pertinent to their interests in it, and to the interests of their clients in it, and then in conclusion we will be glad for the Government's representatives, the department's representatives, to bring out any points that they care to bring out in the interests of the department.

Mr. HARE. Mr. Chairman, before they put those questions I should like, with your permission, to state that during this morning I do not think I got quite clearly before the committee one or two points which I consider very salient.

Senator HARDWICK. All right; we will be glad to have you elucidate them further.

Mr. HARE. The first point that I want to draw your attention to is the fact that I was repeatedly asked, "Upon whom did you put reliance? You have these various agencies of the Government. Did you place any reliance on them?"

I relied upon the integrity of their judgment in their statements that they made to me, but in reaching any conclusions in regard to any of the statements made, I naturally relied on my own judgment, as did Mr. Crowell, when we took a matter up together.

Senator HARDWICK. In other words, you relied on them for such statements of fact as their reports disclosed, but you did not necessarily agree with the conclusions that they reached?

Mr. HARE. Positively not. That is why I was there. That is the point I am trying to make out. That is the reason, as I understand it, the purpose of the job of the Assistant Secretary of War, and the men whom he asks to serve with him, are to sit on top of the various facts as they come before them, and exercise their best judgment. That judgment may be wrong. With that I have nothing to say. But when I had taken into consideration everything that the various departments had, I reached my conclusion as to each project, and each one got consideration from the Government's standpoint, and it was the best judgment I had. If I did not use my own judgment either to agree or disagree I was not functioning, and neither was the Assistant Secretary of War, and during this entire procedure it was my honest effort to get every bit of fact that I could from any department of the Government that was in a position to give us facts. It was for me to reach my conclusions based on the best judgment that I was capable of.

Now I should like to add, with your permission, that in reaching the conclusion in regard to Fort Sheridan, you must bear in mind that I knew Fort Sheridan. I had been there myself, I knew the country that surrounded it, and I knew the advantages of utilizing the Government property in so far as it was possible to utilize it. We had certain buildings there which it would be distinctly to the advantage of the Government to use, rather than to invest in new buildings. That was my own judgment, that it was better for the

Government to use existing buildings and add to them than to chase lands and erect new hospitals on them, and when it came the question of where lies the responsibility from the moral standpoint on the Government, there were repeated warnings which had been given to these gentlemen not to proceed, that they had no authority to proceed. That is all brought out in the testimony of

Dorr, which I would like to read in the record. I would like to read Col. Starrett's entire report and his telegram, omitting names, in executive session.

Senator HARDWICK. The Government has no case to justify. You might have certain official or some private information to back your argument about the matter, but the report was sent to the committee with a distinct request that it be considered confidential.

Mr. HARE. Which request has been withdrawn by the Assistant Secretary of War.

Senator HARDWICK. We do not permit you to withdraw it, because it contains statements which are damaging and unfounded, affecting the reputation and character of citizens of the United States. That is the reason the committee thinks your original request was proper. The committee will examine the report, but does not want to spread it on the record.

Mr. HARE. I thought, perhaps, you could consider it in executive session.

Senator HARDWICK. We will consider it all in executive session, because you stated that you were basing your opinion on Col. Starrett's report, and Col. Starrett's report, outside of the personal matters, declared the proposition to be a good proposition for the Government. It is proper to invite your attention to that stated fact, so that you may explain it. That was the only reason I did it. The committee has full knowledge, and I will say that we thought it was a matter of right to submit to the opposing counsel the full contents of this report, but we do not think it ought to be spread upon any public record.

Mr. HARE. There were other facts in the report, not mentioning names, which also bear on the general situation, and I should like to put into the record, with your permission, a letter of September 19, a memorandum by Col. Gunby, for the Acting Secretary of War, with reference to the procurement of new hospital buildings, and I would like particularly to draw your attention to a statement in that report:

The advantages of utilizing existing structures as far as practicable for hospital purposes, as well as for other purposes to which they may be adaptable, in the end that new construction may be avoided as far as practicable, are too apparent to need amplification under present conditions.

Senator HARDWICK. The committee understands and agrees with your first position about putting in the Starrett report. We think your position was right, because it deals with a certain looseness in reputations that would not be tolerated in any court. You pointed out that it was confidential, and when it comes to spreading anything like that on the record I do not think it is proper. The committee, of course, will read it.

Mr. HARE. I understood the proceeding is informal.

Senator HARDWICK. But we have a reporter here, and the newspapers would have access to it. We will consider the report our-



selves when we come to make up our recommendation, but we do not care to put it in the record or give it to the newspapers.

Senator FRANCE. What statement is that?

Mr. HARE. The last statement is September 19.

Mr. ADCOCK. I would like to have all these papers go into the record, not the Starrett report, but the other papers that he is reading.

Senator HARDWICK. I do not see any objection to that. The only objection I have to the other report is the objection I have stated.

Mr. ADCOCK. I think these should go into the record as the recommendation of the Construction Department, the Surgeon General Department, the Director of Operations, and from the Director of Operations to the Acting Secretary of War, because that is the authority upon which these two commissions were organized, and I think that ought to be read into the record.

Senator HARDWICK. We are terribly pushed for time, and I would suggest that you give it to the reporter and have it put in as part of your testimony, and then summarize it if you want to in a few words.

Mr. ADCOCK. There has been so much talk about how this commission was organized and its purposes, and here are the papers, which show just exactly what was done.

Senator HARDWICK. I do not think there is any misunderstanding in the minds of the committee as to the object of this commission. Still, it will go into the record.

Mr. ADCOCK. It also shows the policy that the War Department adopted at that time with reference to establishing these hospitals.

(The letters referred to are here printed in the record, as follows:)

WAR DEPARTMENT,  
OFFICE OF THE CHIEF OF STAFF,  
Washington, September 19, 1918.

Memorandum for the Acting Secretary of War.

Subject: Funds for procurement of new hospitals.

1. The Surgeon General has recently presented a general plan for hospitalization in the United States. This is now being very carefully considered by the Operations Division. In the meantime recommendation has gone through to the effect that the two boards of officers about to set out for the examination of suitable buildings for hospital purposes be allowed to complete the transaction without further reference to this office.

2. The Surgeon General's plans for hospitalization shows that between now and next June there will be a required increased hospital accommodations for 5,250 beds per month on an average. Some of this is needed at once, as the number of beds now in sight is below what the immediate requirements are. It is highly desirable to avoid new construction work during the coming winter. Wherever possible, existing buildings should be leased or purchased. It is therefore proposed in these papers that the sum of \$15,400,000 C and R of H be set aside for the purpose of leasing or purchasing existing buildings suitable for hospital purposes to the extent of approximately 38,500 beds. This is the amount needed between now and next April. After April construction work can be better undertaken. The sum here mentioned is also to provide for the necessary work in converting the existing buildings into hospitals. The two boards of officers referred to each consist of an officer from the Surgeon General's office, one from the Construction Division, and one from the real estate section of purchase and storage. Gen. Noble and Col. Hornsby will be the two Surgeon General's representatives.

3. The War Industries Board has been consulted and concurs in this project, and it has instructed its regional advisers to cooperate with these boards and to give the necessary clearance on each project.

4. The Surgeon General's plan for hospitalization provides that patients should be placed in hospitals as near their homes as is practicable and he has

divided the country into hospital districts. At present the hospital accommodations in these districts are most unequal, some being practically without any such accommodations. It is therefore believed that this should be adjusted as near as possible at the present time.

5. It is therefore recommended that the sum mentioned above be allotted for the purpose of procuring hospital accommodations for approximately 38,500 beds by lease or purchase of existing buildings and the necessary alterations to accommodate them to hospital purposes, on the conditions that all leases are to be renewable at the option of the Government and no buildings are to be leased where the rental for subsequent years will exceed \$250 per bed per year.

Further, that the beds procured under this authority, when added to those authorized in any hospital district, shall not exceed by more than 15 per cent the ratio of the total authorization which the population of that district bears to the total population of the United States. Hospital accommodation at ports of embarkation, training camps, and for diseases requiring special climatic conditions are not to be considered in this connection.

Further, that each project shall be submitted to the regional adviser of the War Industries Board for his clearance, and also that the two boards report action on each project promptly by telegraph to the director of operations, and finally each board must be unanimous in its opinion. Under the above conditions it is recommended that the two boards be given authority to close the deals and make contracts. Where any of the above conditions can not be carried out the project must be acted on separately in the manner now done. Funds are available.

HENRY JERVEY,  
*Brigadier General, United States Army; Assistant Chief of Staff;  
Director of Operations.*

Approved:

BENEDICT CROWELL,  
*Acting Secretary of War.*

SEPTEMBER 21, 1918.

WAR DEPARTMENT,  
OFFICE OF THE SURGEON GENERAL,  
*Washington, September 16, 1918.*

#### MEMORANDUM FOR THE DIRECTOR OF OPERATIONS.

During the present week two boards consisting of representatives each from the office of the Surgeon General, director of purchase, storage and traffic, and Construction Division, will make trips to various sections of the United States for the purpose of finding buildings suitable for hospital purposes.

One hundred and seventeen thousand beds in addition to those now provided will be required within the next 22 months. This increase will be in the ratio of approximately 5,500 beds per month. As the building program is at present behind it will be necessary to obtain during the next three to four months about 38,500 beds. It is suggested that:

First. The recommendation of the board for leasing of premises be approved at as early a date as practicable.

Second. That the tentative estimate of the representative of the Construction Division as to the cost of converting the building into a hospital be accepted and the necessary funds allotted when the lease is approved by the War Department. Such a plan will save weeks of delay in making accurate estimates as to cost of conversion of buildings.

Third. Immediately upon receipt of information by wire that such buildings have been selected and tentative agreement entered into with the owners, the necessary architects be at once sent by the department to make detailed plans for the conversion of the building into a hospital; the architects so sent be representatives of the Surgeon General's Office and the Construction Division.

Fourth. As it requires approximately four months to convert a building such as the Greenhut Building into a hospital, with a need of 38,500 beds within a very short time, quick action upon any recommendations received and approved by the War Department is essential.

Fifth. To obtain by lease or purchase existing buildings and facilities and to make modifications therein so as to accommodate practically 38,500 beds, the Construction Division estimates that it will require an expenditure of

\$15,400,000 to be charged against the construction and repair of hospitals. The funds are available. It is believed that the boards constituted above should be given such authority as will enable the department to obtain the number of beds desired at the earliest practicable date, and it is so recommended.

CHAS. RICHARD,  
*Brigadier General Medical Corps, Acting Surgeon General.*

[First indorsement.]

War Department, Col. F. Gunby, engineering branch (Construction Division),  
September 16, 1918.

To the director of operations

(Through the director of purchase and storage).

1. Forwarded.
2. The advantages of utilizing existing structures as far as practicable for hospital purposes, as well as for other purposes to which they may be adaptable to the end that new construction may be avoided, as far as practicable, are too apparent to need amplification under present conditions.
3. There is a great shortage in existing labor. This shortage will be greatly increased as the new draft depletes the labor supply. Some materials, particularly heating boilers and certain other equipment, are well-nigh unobtainable and there is a great strain on practically all parts of the material market. In view of these conditions, the efficient utilization of existing buildings for hospital purposes where they can be so utilized would seem to be almost mandatory.
4. At a conference held with representatives of the Surgeon General's Office, it appears that there is a strong probability that by prompt action in the field by the boards a large proportion of the increased bed capacity can be obtained by the rental or purchase of existing structures. This proportion will, undoubtedly, be larger in case these boards are authorized to consummate on behalf of the Government the negotiations than if they are merely authorized to take options, which may be subject to a long delay before the deals can be consummated.
5. New hospital construction is now costing considerably more than \$1,200 per bed. The reclamation value of this construction at the end of the war will be practically negligible. Assuming that these hospitals will be useful therefore for, say four years, and using the low figure of cost of \$1,200 per bed, the cost per year would be \$300 per bed in addition to the charges for maintenance and operation. If accommodations essentially equivalent could be leased or otherwise procured for less than \$300 per bed per year, an actual saving in money would probably result on the basis of four years' use of these hospitals. A larger amount would be warranted in case of a shorter duration of their use and a smaller amount in case of an assumed longer duration of their use.
6. In order to comply with the requirements of the Surgeon General's office of obtaining about 38,500 beds in the next three or four months, expeditious action must be taken both in connection with the leasing or purchase of buildings and with their modification to fit them for hospital purposes, which can best be established by authorizing the leasing and alteration of the necessary structures in bulk, providing they fulfill the conditions outlined in the following paragraphs.
7. It is, therefore, recommended that authority be granted to lease or purchase existing buildings and facilities and to make modifications therein so as to accommodate as far as practicable 38,500 beds of hospital capacity and to expend for this purpose \$15,400,000 from appropriation "Construction and repair of hospitals." Funds are available.
8. All leases to be renewable at the option of the Government and no buildings to be leased where the rental for subsequent years will exceed \$250 per bed per year.
9. Cases in the procurement of hospital accommodations which may seem advantageous to accept but do not fall within the limits of the above conditions are to be referred to higher authority as separate projects.

F. M. GUNBY,  
*Colonel Quartermaster Corps, Acting Chief of the Construction Division.*

Senator HARDWICK. How far is Fort Sheridan from Chicago?

Mr. HARE. About 30 miles, and I think about 50 miles from Milwaukee, approximately.

Mr. ADCOCK. It is the most beautiful place around Chicago.

Senator HARDWICK. Does that include what you wanted to suggest yourself?

Mr. HARE. No, sir. I should like to bring out at this time, if I may, certain other very pertinent facts.

Senator HARDWICK. All right, sir.

Mr. HARE. In order to bring this case where it is right now, they inserted in the Chicago papers full-page advertisements which are filled with misstatements.

Senator HARDWICK. Yes; we have had those referred to.

Mr. HARE. I should like to direct attention to some of the misstatements in these advertisements, which appeared in the Chicago Herald, the Chicago Evening Post, the Chicago Daily News, and the Chicago Tribune.

Mr. BENNET. What is the date of the statement?

Mr. HARE. Date of the statement?

Mr. BENNET. The date of the advertisement.

Mr. HARE. The advertisement is dated December 24, 1918. [Reading:]

MISSTATEMENTS CONTAINED IN ADVERTISEMENT, "FACTS ABOUT THE SPEEDWAY WAR HOSPITAL," BY EDWARD HINES, WHICH APPEARED IN THE FOLLOWING CHICAGO PAPERS OF DECEMBER 24, 1918: CHICAGO HERALD AND EXAMINER, CHICAGO EVENING POST, CHICAGO DAILY NEWS, CHICAGO TRIBUNE.

*Statement.*—Expenditure of \$4,000,000 for temporary light buildings which have been denounced as fire traps.

*Fact.*—National Board of Fire Underwriters passed favorably on the proposed construction at Fort Sheridan.

*Statement.*—Cost per bed at Fort Sheridan will be \$1,000,000, as against \$600,000 per bed in the case of the Speedway fireproof hospital.

*Fact.*—Original project for Speedway cost \$1,364 per bed. New project for Speedway—omitting repurchase clause—cost \$1,304 per bed. New project for Speedway, taking advantage of repurchase clause, cost \$782.90 per bed. Fort Sheridan temporary construction for 5,000 beds cost but \$700 per bed.

*Statement.*—Last summer the project was presented directly to Secretary of War Baker.

*Fact.*—Matter taken up with Mr. Baker by Mr. Erskine, who presented the project as a 2,500-bed hospital at \$1,000 per bed. At that time the project had not been worked up. When plans and specifications were finally completed to meet the requirements of the Surgeon General's Office, the cost for the 2,500-bed hospital complete was \$3,410,300, or \$1,364 per bed.

*Statement.*—All the plans and specifications were approved in writing upon their face by Col. C. C. Wright, acting for Gen. Marshall, Chief of the Construction Division.

*Fact.*—Col. Wright states that the plans and specifications were signed to identify them so that the proposition might be investigated and presented by the Construction Division to the Secretary of War.

*Statement.*—On August 30 the Shank Co., which was in Washington working on plans in conjunction with the Federal construction department, was instructed by Col. Wright to sign the hospital construction contract which had been prepared by Government attorneys upon the approval of all the necessary Federal departments.

*Fact.*—The contract was prepared by Mr. Jacob Newman, attorney for Mr. Hines, who went to the Construction Division and requested the help of their legal department in drafting the contract.

*Statement.*—Work on the hospital under direct authority of the Government and with the approval of the five necessary Government departments was started September 3, 1918, with a thousand men and has continued ever since.

*Fact.*—No direct authority was given by the Government as the project had not yet been presented to the Secretary of war and it was understood by Mr. Newman, the attorney, that no direct authority could be had until the project was approved by the Secretary of War.

*Statement.*—Sometime late in September Acting Secretary of War Crowell advised us that inasmuch as the draft of the contract had not secured the signature of the Secretary of War, it was not binding on the Government, despite the approval of the several departments.

*Fact.*—On September 11 the Shank Co. were advised in a telegram from Col. Gunby, of the Construction Division, that no construction work had been ordered in connection with hospital construction at Chicago. On September 27, 1918, George H. Shank wrote Mr. Crowell that he had been constructing a hospital building under orders of the Government and on September 28, Mr. Crowell replied to this letter stating that this construction had never received approval of the Secretary of War, and that no contract had been executed on behalf of the Government.

*Statement.*—Mr. Hare advised that the Surgeon General's Office required some buildings in addition to the structure specified in the contract of August 30, 1918. The Shank Co. was requested to bid on these buildings.

*Fact.*—The additional buildings referred to were included in the first proposition submitted to Mr. Hare and he never made any statement in connection with them.

*Statement.*—The Shank Co. offered to construct these additional buildings for \$753,475, or at an absolute cost without charging the Government any commission or percentage basis. In that bid the Shank Co. offered to do all the original work specified in the written contract of August 30, 1918, and the additional work ordered for a total of \$3,253,475.

*Fact.*—This bid of \$3,253,475 was a second proposition submitted by the Shank Co., which contained a repurchase clause for the land. Col. Wright states the reason the cost of this proposition is lower than the first proposition is because Mr. Shank has not included a sum for contingencies, which it is the practice for the construction department to include.

*Statement.*—Shortly after this bid was submitted I was amazed to receive from Secretary Hare the information that the Government had concluded to abandon the project on the sole ground that Acting Secretary Crowell had decided to build frame buildings at Fort Sheridan to accommodate 4,000 beds, and had also taken over the New Field Museum, which would provide for about 4,000 additional beds.

*Fact.*—On October 24 Mr. Hare telephoned Mr. Hines, stating that the Secretary of War had disapproved the Speedway Hospital, as the figure was very much higher than the figure for which beds could be secured in equally good places, namely, Fort Sheridan and the Field Museum.

*Statement.*—The Field Museum would cost the Government \$2,850,000.

*Fact.*—The Field Museum was to cost \$1,750,000 for 4,000 beds, or \$437.50 per bed.

*Statement.*—Immediately upon the return of Secretary of War Baker from Europe the lease of the Field Museum was canceled by wire.

*Fact.*—The lease of the Field Museum was not canceled until December 5. (Information obtained from Col. Dickinson.)

MR. HARE. Now, it seems to me that what we are all after is to get the exact facts in this case. The statement that the Government was in any way morally bound to take over this hospital because it had been started is not apparent from any of the testimony. They were warned over and over again.

Senator HARDWICK. Wait a minute. Let me ask you a question about that. Are Mr. Edward Hines and Mr. Shank regarded as good business men, successful?

MR. HARE. I have no knowledge to the contrary.

Senator HARDWICK. How do you account, in your mind, for the proposition that they would go back and spend a million dollars without any sort of obligation, legal, moral, or otherwise, to take this hospital? What is your own idea about it. I am just asking for an

nion. It has bothered me a lot, and I wondered if you could not p.

Mr. HARE. My idea in that connection has been that in spite of these warnings they decided to go ahead and take a chance and get approved afterwards.

Senator HARDWICK. Men do not ordinarily do that unless they think certain that the approval is a mere formality.

Mr. HARE. I do not know what was in their minds, certainly not. I do not imagine any contractor with the evidence before him that something had no approval, and who had been repeatedly warned of it, going ahead. Nor can I imagine why Mr. Shank would say that that telegram of September 11 made no impression on his mind.

Senator HARDWICK. He stated that before the committee here. There is no need to read it.

Mr. HARE. That is perfectly incomprehensible to me.

Senator HARDWICK. I will tell you the theory I have about it. It is only a theory. In the first place, I think the Government originally intended to take this hospital, and I believe that your office and Secretary Crowell and the rest of you would have approved it if it had not been for the fact that the situation in Europe changed.

Mr. HARE. I can say safely that that is not the case in any way, shape, or manner. Mr. Baker has stated that Erskine came in and as received the same as anybody, and he referred him to the proper authorities; and at that time the proposal was for a 2,500-bed hospital at \$1,000 a bed.

Senator HARDWICK. I will tell you what I think is the truth about it, and I think you have made some admissions along the same line. Dickinson on the 19th called your attention to the fact that the situation in Europe had changed. I am not blaming you for this. It is what any sensible administrator would have done. Then you concluded, or would have concluded, "Well, now, we do not need this hospital, and will not need it, and if we are not either legally or morally committed to it, it would be the part of wisdom and economy for the part of those who are handling the taxpayers' money not to do it." I think that that had some influence on the proposition.

Mr. HARE. May I answer, sir, and say that it did not?

Senator HARDWICK. If you were to say it four thousand times it would not alter my opinion.

Mr. HARE. I would like to show why it did not. When Dickinson wrote that letter that the necessity for 10,000 had changed to 8,500 still had only 5,000 beds at Fort Sheridan and about 600 at some other hospital.

Senator HARDWICK. I still have no doubt that at the date you approved this contract, October 26, the War Department had pretty fair knowledge that the war was about to end.

Mr. HARE. I can only answer your questions. I did not have that knowledge.

Senator HARDWICK. I have reason to believe that the Government generally had knowledge in advance of the armistice that naturally it properly changed the point of view about a good many of these things. I think it should have. In every respect I believe it was the duty of every branch to begin to retrench and economize as much as they could when they saw the end of the war. But what I can not

get at, and your testimony does not help me at all—of course it is merely opinion—is how these hard-headed business men, who have made millions of dollars out of business, should go ahead and put up millions of dollars or more into this project in the face of the repeated warning that there had been no approval of the contract and no surety of getting their money back. The only theory that I can explain it to myself is this, that at that time they were rushing everything in this country—business men. everybody was cutting out the red tape in the Government and supplying millions of dollars for supplies, and so forth, and did not care for technicalities, whether in buying hospitals or lumber, and did not wait for the formal approval of the Secretary, but treated that approval merely as a formality.

Mr. HARE. They had no reason for believing that the approval of the Secretary of War was a mere formality. They had been repeatedly told to the contrary.

Senator HARDWICK. Several of the officers have testified that with all this preliminary work done, the rest was a mere matter of form.

Senator FRANCE. Now, Mr. Hare, you have said that they were repeatedly told. Now, you would not make that statement unless you could give us the exact dates of their being so told. It is a general statement which is very material to this evidence. Now, we wish you either to qualify that general statement or give us the time that they were specifically told.

Senator HARDWICK. You did that a little while ago in the case of two dates.

Mr. HARE. If you will permit me I will read into the record from this examination of Mr. Dorr.

Senator HARDWICK. Could you not read it on that point and save time?

Mr. BENNET. May I ask the date of that in order to have it in the record?

Mr. HARE. October 4, 1918.

(The document referred to was later ordered to be inserted in the record, and it is here printed in full, as follows:)

OCTOBER 4, 1918.

Present: Mr. Jacob Newman, Mr. George H. Shank, Maj. A. A. O'Brien, Mr. G. H. Dorr, and Mr. C. W. Hare.

QUESTIONS ASKED BY MR. DORR AND ANSWERED BY MR. NEWMAN.

Q. State just what your conversation with Maj. O'Brien was.—A. I called upon Maj. O'Brien the latter part of last week, either Friday or Saturday, as I was intending to leave for Chicago the following day. I stated to Maj. O'Brien that the Speedway project had been turned down, as I was informed by the War Department, on the ground that they preferred to erect temporary structures at Fort Sheridan, as the cost was about half, according to their figures, of what the Speedway project would cost. I then asked Maj. O'Brien if he knew Mr. Hare, of the War Department, and he replied that he met him but once, and I forget whether I asked him on what occasion or whether he stated to me that the occasion on which he met Mr. Hare was that he had been sent for by the War Department to submit the draft of contract which had been drawn. The major informed me that he went to the War Department, had a conference with Mr. Hare, went over the entire subject matter of the contract, and that, after critically examining it, Mr. Hare was of the opinion that the Government was protected under the provisions of the contract. Now, whether Maj. O'Brien stated to me it was a month ago or a shorter period of time I

do not know. I can not now recall. I must have gotten the impression from the statement in the document referred to that it was a month ago.

Q. Did you have any part in preparing this statement for Mr. Shank to sign?—A. I prepared it myself for submission to a certain gentleman. It was a confidential communication.

Q. You knew under the circumstances in which this statement was prepared that there was every obligation for absolute accuracy?—A. Absolutely; no question about it.

Q. Were you aware, Mr. Newman, at the time you prepared this document, which you prepared knowing the sense of obligations, that a telegram had been sent on September 10 by Mr. Shank asking for priorities on this work?—A. Never heard of it until it was discussed by Mr. Hare in the presence of Mr. Shank at a conference held in Mr. Hare's office on October 1. First time I ever heard of it. I was a little surprised at the time, because Mr. Shank stated he himself had never seen the telegram, but had been told about it. I think that was what he stated to Mr. Hare.

Q. When was that?—A. That was on Tuesday, October 1.

Q. When you heard of that telegram you also heard of the reply which had been sent by the Construction Division?—A. Never seen it or heard of it.

Q. The telegrams which had been sent by Mr. Shank and which had been sent by the Construction Division were discussed on October 1?—A. Yes, sir.

Q. After these telegrams had been drawn to your attention did you make any subsequent statement to supplement this statement?—A. So that you may understand the situation, Mr. Edward Hines was present at that interview. He had the document now in your possession and from which you have read in his possession, and in the forenoon of the conference on October 1, as we left the room he turned to Mr. Hare and said, "Mr. Hare, I have a statement which I would like for you to read. Would you care to read it?" Mr. Hare said, "Yes," and Mr. Hines, without consulting me or without a word to me, handed Mr. Hare the paper.

Mr. Newman stated that the statements made were, of course, a mere inference that Mr. Hare must have known all about the matter for a month or more and must have known that the work had been started under Col. Wright's orders.

Maj. O'Brien stated that, "However Mr. Newman reached the impression that I had a conference with Mr. Hare a month previous, I am unable to make up my mind. The fact is that I did not see Mr. Hare until a day or two previous to the conversation with Mr. Newman."

Mr. Newman stated, "I may be entirely wrong. How I got the impression I do not know."

Mr. Hare stated, "It is a fact that until 5.45 p. m. on the afternoon of September 18 I did not have any knowledge of the Speedway proposition and had never heard of it. At that hour Col. Kellong, representing Gen. Jervay, came to my office with the papers. From that time on I was naturally very much engaged in a study of the entire case from every angle."

Maj. O'Brien then stated he had prepared a statement which he wanted to read because Mr. Newman was affected. Maj. O'Brien then read the statement and asked Mr. Newman if there was anything wrong or untrue in it.

Mr. Newman replied, "No, sir."

Mr. Dorr. It is stated here, Mr. Newman, that all of the officers in the Medical Department, every officer in the Construction Division, the entire General Staff, and the War Industries Board have in writing approved the construction of this fireproof hospital. Most of these are enthusiastically in favor of a permanent fireproof modern hospital instead of temporary wooden buildings. The only people opposed to it are Col. Hornsby and Mr. Hare, assistant to Secretary of War Crowell. What was your reason for saying Mr. Hare was opposed to fireproof construction?

Mr. NEWMAN. That was my information.

Mr. Dorr. Where did you get that information?

Mr. NEWMAN. At this stage I would prefer not to name the individual. If it becomes necessary, Mr. Hare, I will do so.

Mr. Dorr. How about Col. Hornsby?

Mr. NEWMAN. That I know personally.

Mr. Dorr. That he objected to fireproof construction?

Mr. NEWMAN. Col. Hornsby stated to me that the policy of the department, as he understood it, was to erect purely temporary structures.



Mr. DORR. Where did you get your information that the War Department was in favor of fireproof construction?

Mr. NEWMAN. From the same person.

Mr. DORR. Whom you do not desire to name at this time?

Mr. NEWMAN. Yes, sir.

Mr. DORR. Where did you get your information that the entire General Staff approved this plan?

Mr. NEWMAN. I will tell you frankly I do not know what constitutes the General Staff.

Mr. DORR. Rather an unsafe term to use if you do not know what it means.

Mr. NEWMAN. I understand that they include, acting on behalf of the General Staff, Gen. Jervey and Dr. Keppel. What division of the General Staff I do not know. I am inclined to think that is too broad a term.

Mr. DORR. You say Dr. Keppel has approved of this plan?

Mr. NEWMAN. That is my understanding.

Mr. DORR. Where did you get the information from?

Mr. NEWMAN. Same party.

Mr. DORR. You say that the Secretary of War expressed his approval of the Speedway Park proposition and directed that the Medical and Construction Departments take the matter up and if they approved of it to carry it out. Where did you get that information?

Mr. NEWMAN. Same party. Perhaps that is not correctly stated. The information came to me in this form, that the Secretary of War had taken the matter up; had called in Dr. Keppel and I think Gen. Jervey and had requested that he take the matter up, and that if it was as represented it struck him as a favorable proposition.

Mr. DORR. That is the information on which your statement was based.

Mr. NEWMAN. That is the start of it. Shortly after that he left the country. Probably two weeks or more after that.

Mr. DORR. Mr. Newman, before or on the day on which Mr. Shank put his name to the contract, do you recall whether or not you knew that Mr. Erskine had endeavored to see the Secretary of War in regard to this matter? That Mr. Erskine came up with Col. Wright.

Mr. NEWMAN. My information had been that he had seen the Secretary of War some time before that.

Mr. DORR. Do you recollect if, on or about the day the draft of contract was put in form and Mr. Shank signed it, Mr. Erskine requested Col. Wright to come with him to see the Secretary of War to see if they could get approval of the plan?

Mr. NEWMAN. If anything of that kind occurred I do not believe I was present because I do not recollect it.

Mr. DORR. I asked you if Mr. Erskine informed you of it?

Mr. NEWMAN. I do not recollect that he told me.

Mr. DORR. Did Mr. Erskine tell you that he had had a talk with Dr. Keppel and Gen. Jervey?

Mr. NEWMAN. I think he did.

Mr. DORR. Did he tell you that Gen. Jervey had told him that when the matter came up in the regular way it would receive attention and that there could be no approval in advance?

Mr. NEWMAN. I do not recall that.

Mr. DORR. Of course, you, as a lawyer, appreciate that the Government could not in any way be bound without the formal approval of the contract.

Mr. NEWMAN. Absolutely.

Mr. DORR. You did not give your clients any different advice from that?

Mr. NEWMAN. None whatever. I knew that the Government had to act by statute.

Mr. DORR. You understood there was nothing any officer could do to bind them.

Mr. NEWMAN. Absolutely nothing. All employees have to act according to statute and nothing else.

Mr. DORR. You do not care to state where you got the other information?

Mr. NEWMAN. I wish to state emphatically that the information came to me through no officer of any kind or nature, either directly or indirectly.

Mr. DORR. Mr. Shank, I have asked Mr. Newman as to the source of the various matters in this statement. Were any of the matters, as far as you were concerned, derived from any public officer?

Mr. SHANK. None that I know of. I know nothing about them.

Mr. NEWMAN. Mr. Hare, I have read over the statement prepared here on October 1 and this morning, in order to avoid any wrong impressions I have dictated the following letter to you and intended to send it over this morning.

THE NEW WILLARD,  
Washington, October 4, 1918.

To the SECRETARY OF WAR,  
(Attention of Mr. Hare.)

DEAR SIR: In our conference with you October 1, I said Col. Wright requested Mr. Shank to return and begin work, as he feared the work could not be completed before the winter set in if there were any delays.

I do not want anything I may have said to you to give you the impression that Col. Wright gave us to understand that the contract was signed, but he stated to us that he was required to report and submit the whole matter to the General Staff for its final approval, and he believed that it would be approved without delay.

Maj. O'Brien was present at the conference, but said nothing and did nothing that I can recall except, at the suggestion of Col. Wright, to draft a form letter to be signed by the Shank Co. with respect to the ratification of Mr. Shank's signature as president of the corporation, and the retention by the Government of the services of the Chicago architects.

Yours, truly,

JACOB NEWMAN.

Senator HARDWICK. Is that the information you want, Senator?

Senator FRANCE. No. I merely wanted the date.

Senator HARDWICK. You gave two dates. You say these people were repeatedly warned that if they went ahead with this work they were doing it at their own risk and their peril, and they contend that your contention is not sound. Senator France was not in here when you gave the dates of the two telegrams.

Mr. HARE. Those were specific; but I want to get Col Wright's statement.

Senator HARDWICK. Col. Wright testified before the committee.

Mr. HARE. That he had repeatedly told them not to go ahead.

Senator HARDWICK. Yes; they crisscrossed about that a good deal. We are pretty familiar with Col. Wright's testimony.

Mr. HARE. You are familiar, also, with the telegram which was sent by the Shank Co.:

We are proceeding with work on hospital as ordered. Much delayed by lack of material. Must have priority order at once. Wire.

On September 11 Col. Gunby replied, as follows:

Reference telegram September 10: This office has ordered no construction work in connection with hospital at Chicago. This matter has been taken up verbally to-day with Mr. Erskine, who will wire in reference to same.

MARSHALL

You have had these?

Senator HARDWICK. Yes. In other words, I think Senator France wants to know if you have any other instances besides those that are in the record.

Senator FRANCE. I thought you referred to some instructions that had gone out from your office. We know the situation, so far as the construction division is concerned.

Mr. HARE. On September 28 Gen. Noble says that Erskine came into his office about September 1.

Mr. BENNET. What date?

Mr. HARE. September 28. Gen. Noble says that Erskine came into his office about September 1, and Gen. Noble says, "You are taking a big chance." and Mr. Erskine replied that he would take the chance.

Senator FRANCE. There is nothing to show that Mr. Erskine was the agent upon whom notice might be served.

Mr. HARE. He had called on a number of gentlemen in the interest of this project. I will try to get that other statement first.

Senator FRANCE. Let it go.

Senator HARDWICK. The evidence shows what the notice is worth.

Mr. Adcock, you may proceed. Try to make it as direct as you can, please.

Mr. ADCOCK. You say that you never had any talk with Mr. Trainer about the Speedway project prior to its being disapproved on September 26 and on October 24?

Mr. HARE. None whatever.

Mr. ADCOCK. Did you have any report of Mr. Trainer, or did you ever hear that he had ever stated anything derogatory to this hospital project?

Mr. HARE. Never heard any report of that kind.

Mr. ADCOCK. Did you say that you had a conversation with Mr. Trainer with reference to the Seaview Hospital matter?

Mr. HARE. That was some time the second week in September. That was my first meeting with Mr. Trainer. I had had several conversations with the chief of his division, Maj. Holden, and when Mr. Trainer presented this Seaview proposition he presented it in a businesslike way.

Senator HARDWICK. That does not relate to this matter. Never mind that.

Mr. ADCOCK. You had no conversation about the Speedway project at that time?

Mr. HARE. None whatever.

Mr. ADCOCK. At that time you did not know of the Speedway project?

Mr. HARE. I did not know that until the 18th of September.

Mr. ADCOCK. Have you any knowledge of the character of Mr. Trainer's work for the Government in the real-estate section?

Mr. HARE. At that time the only knowledge I had was the very businesslike statement he made in connection with the Seaview proposition, and I had heard Maj. Holden say that he was a valuable real-estate man.

Mr. ADCOCK. Have you any knowledge now more than you had?

Mr. HARE. I have more knowledge now, because I have seen something of him during the last week or two, and I place reliance on his judgment on real-estate matters.

Mr. ADCOCK. But you never heard anything said against his reputation for honesty and integrity?

Mr. HARE. Never.

Mr. ADCOCK. In fact he had performed very efficient work.

Mr. HARE. I understood that he was thought of very highly in the division in which he worked.

Mr. ADCOCK. In your conversation with Col. Starrett did Col. Starrett say that he had talked with Mr. Trainer, or mention Mr. Trainer's name? He made no reference to Mr. Trainer's being in Chicago when he made his report?

Mr. HARE. Not to my recollection.

Mr. ADCOCK. That is your best recollection?

Mr. HARE. That is my best recollection.

Mr. ADCOCK. Do you know whether or not Mr. Starrett stated to you that one of the first persons he saw was Mr. Horace K. King, of Chicago, of whom he inquired how to go about it to get information on this proposition?

Mr. HARE. I refreshed my memory about Col. Starrett's report and I can say yes.

Mr. ADCOCK. And he made inquiry of Mr. Felt, president of the Felt & Terry Manufacturing Co., Chicago, and I think at one time president of the Manufacturers' Association of Chicago?

Senator FRANCE. When was this?

Mr. HARE. This was when he went out to make an examination.

Senator FRANCE. On that date to which I was referring?

Mr. HARE. That referred to the two or three days that he was there.

Senator FRANCE. I am speaking about the day before. You said that you did not know about it.

Mr. HARE. Except as contained in the telegram. I knew that afterwards he came back and made his report.

Senator FRANCE. I distinctly asked you if he told you the names of the men with whom he talked.

Mr. HARE. I thought I said that I did not know. But I have refreshed my memory from the report.

Senator HARDWICK. Does the report name the men?

Mr. HARE. I think it does.

Senator HARDWICK. I think you are in error.

Mr. ADCOCK. It is my recollection that it does. As I understand it, this morning you stated that you did not remember the names.

Senator FRANCE. All we want is the record to show the dates. If he saw these men, we want to know the dates.

Mr. ADCOCK. I understood the witness stated that since the examination this morning he had refreshed his recollection of his conversation with Col. Starrett by reading Col. Starrett's report. That was the fact.

Senator HARDWICK. Yes; and the further fact that Mr. Teney's name was mentioned.

Mr. HARE. Yes.

Mr. ADCOCK. The committee kindly permitted us to see the report, and I make no comment. As I understand, he stated that when he wanted to ask, he inquired of Mr. Teney.

Mr. HARE. I have the report before me, and with your permission I will read [reading]:

The forest preserve commissioners of Cook County, through their engineer, Mr. Clark, affirmed that that board had been paying equivalent prices for contiguous land they had been purchasing.

Mr. ADCOCK. The Clark referred to is not the Clark of Clark & Trainer.

Senator FRANCE. Who was this Mr. Clark?

Mr. HARE. One of the engineering commissioners of Cook County.

Senator HARDWICK. What does he say about Mr. Teney?

Mr. HARE [reading]:

With this and much additional evidence that I deemed of value, I laid the whole question before Mr. Wallace Heckman, business manager, and a trustee of Chicago University, who has had wide experience in similar properties and

who was commended to me by Mr. Tenney, representing the War Service Committee of the Union League Club. Mr. Heckman asserted that the valuation was a low one, and further asserted that the plottage gave it peculiar value, as it was the last trace of size available so near the center of Chicago at anything but prohibitive prices.

Senator HARDWICK. You were right about that. That is a place in there where he says he talked about investigating land, and said he conferred with other men, and gave their names, but prefers not to put that in.

Mr. ADCOCK. At this time I would like to ask—the inference has been made that in the course of Mr. Starrett's investigation, Mr. Starrett may have been piloted about Chicago by Mr. Trainer or somebody connected with him, and I would like to know whether these people make any charge along that line or not.

Mr. BENNET. All we know is that on the 19th of September Mr. Trainer and Gen. Noble of that commission left for the West.

Senator FRANCE. Are you sure of that date?

Senator HARDWICK. They were in Chicago when Starrett got there?

Mr. BENNET. I base it entirely on Mr. Hare's statement.

Mr. ADCOCK. The authority went through the 19th?

Mr. TRAINER. The authority went through on the 19th.

Mr. ADCOCK. And you left Washington on the 19th.

Senator FRANCE. Let us get this correct. In the beginning we want the date when these parties left for Chicago, whom they saw there, and the date of the telegram, the first telegram which constituted the first general statement of Col. Starrett on this subject. There is confusion here as to when these gentlemen mentioned in this report were seen. They may have been seen subsequent to the time which I have in mind, which intervened between the arrival of these gentlemen at Chicago and the sending of the first telegram. Now, will you state when it was?

Mr. BENNET. I will state that Mr. Hare's report of October 22 states that on September 19 the Noble commission left for the West.

Mr. HARE. That is correct. The report states:

On September 19 the commission headed by Gen. Noble started its tour of the Middle West in an effort to secure hospital beds through the leasing of whatever buildings might be suitable and the erection of temporary structures where leasing could not be had. It had been decided that in view of the great difficulty encountered in securing material for all the necessary projects of the War Department that it was undesirable to erect permanent hospital buildings as long as the main object to be gained was the procurement of a sufficient number of beds to take care of our wounded soldiers for the duration of the war and a reasonable period thereafter.

Senator FRANCE. Was Mr. Trainer with that commission which went to Chicago?

Mr. HARE. That is out of my knowledge.

Senator HARDWICK. When did Col. Trainer go to Chicago?

Mr. HARE. This came to me on the 18th, and I think on the 19th, and Erskine arrived there on the morning of the 20th and sent this telegram the night of the 20th, which was received on the 21st.

Senator HARDWICK. They went over about the same time?

Mr. ADCOCK. Mr. Trainer informs me that he left Washington on the 18th, and Gen. Noble on the 21st.

Senator FRANCE. Col. Starrett left on the 19th?

Mr. ADCOCK. The 19th.

What I would like to know is whether there is any claim that Mr. Trainer or Mr. Clark or any one for Mr. Clark or representing them in any way whatsoever, saw Col. Starrett or in any way influenced his investigations?

Senator FRANCE. We have asked that question and the witness has stated that he had no knowledge as to the men with whom Col. Starrett talked after reaching Chicago, on that day prior to the sending of his first telegram.

Mr. ADCOCK. The reason I am asking that, Mr. Chairman, is that it seems to me I am entitled to know at this time so that I may prepare to present the evidence with reference to that proposition.

Senator FRANCE. It is a proper question.

Senator HARDWICK. You see, of course, it might obviate the necessity for sending for witnesses and some expense to the Government. All I can say is that unless counsel can give us some information, I do not think so far we have had anything in evidence on that point at all.

Mr. ADCOCK. The only information is in the question put by Senator France this morning that seemed to indicate that there might be something of that kind.

Senator FRANCE. My questions are, I beg the counsel to remember, not information. I was asking for information and trying to bring out the facts, and if there are any facts not disclosed, the evidence will show that.

Mr. BENNET. I always try to be fair with counsel. We have no knowledge that Col. Starrett saw Mr. Trainer during his two or three days in Chicago.

Mr. ADCOCK. Or anyone for him?

Mr. BENNET. Whom would you include in that? We have no proof as to anyone that Mr. Starrett saw in Chicago other than Tenney.

Senator HARDWICK. In other words you are not prepared with evidence to show that Mr. Trainer had anything to do with the atmosphere surrounding Mr. Starrett in Chicago?

Mr. BENNET. No.

Senator HARDWICK. You will not need witnesses.

Mr. ADCOCK. I am glad of that.

Senator HARDWICK. Where is Col. Starrett now?

Mr. HARE. He is on his way East. He had to go out on some construction matters all the way to the coast. I will be able to advise you by to-morrow when he can be here.

Senator FRANCE. We will try to find out with whom he talked.

Senator HARDWICK. So far, Mr. Adcock, there has been no evidence here to show that Mr. Trainer had anything to do with Col. Starrett in Chicago.

Mr. ADCOCK. It seemed to be fair that we should know.

Senator HARDWICK. That seems to present no controversy.

Mr. BENNET. We do know that he talked with Mr. Hines on the telephone.

Senator HARDWICK. What you really want to know is whether or not Mr. Trainer had anything to do directly or indirectly with making up Mr. Starrett's mind.

Mr. ADCOCK. Or Mr. Clark.

Senator HARDWICK. Who is Mr. Trainer's partner, as I understand it.

Mr. HARE. I should like to say very emphatically that so far as I am concerned Mr. Trainer did not enter into this case in any manner, way, shape, or form, and had nothing to do in instructing either myself or the Secretary of War. I can not make that too emphatic.

Senator HARDWICK. Is there anything else, Mr. Adcock, of this witness?

Mr. ADCOCK. Mr. Trainer could not and did not, as far as you know, have anything whatsoever to do with the determination of the policy of the Secretary of War's office with reference to the Fort Sheridan hospital situation?

Mr. HARE. Nothing whatever.

Mr. ADCOCK. I ask that because Mr. Hines stated on the stand that he had understood, that his belief was, that Mr. Trainer had influenced the Government to obtain more hospitals at Fort Sheridan.

Mr. HARE. I am glad you mentioned that, Mr. Counsel, because I should like to emphasize this in connection with Fort Sheridan. That Fort Sheridan proposition had the absolute approval of the Construction Division, and was presented to us with their approval and the approval of all the officers, just the same as the Speedway proposition, and it was my function to decide as between the two, which I did to the best of my ability. That is what I have been trying to make emphatic and plain.

Senator HARDWICK. I understand that to be the fact.

Mr. ADCOCK. I understand that you never heard of Mr. Trainer's having anything to do with the Speedway proposition?

Mr. HARE. Never.

Senator HARDWICK. He did with the Field Museum, did he not?

Mr. HARE. Not in so far as I was concerned.

Senator HARDWICK. Was he a member of that commission?

Mr. HARE. He was a member of that commission.

Senator HARDWICK. That passed on the Field Museum proposition?

Mr. HARE. Yes; but whether he himself ever saw the Field Museum, I do not know.

Senator HARDWICK. But, anyhow, he was a member of the commission appointed to pass upon such a project as the Field Museum, and did in fact pass on that project, did he not?

Mr. HARE. I do not know.

Senator HARDWICK. His commission did?

Mr. HARE. I do not know.

Senator HARDWICK. You do not know who constituted that commission?

Mr. HARE. I can not recall.

Senator HARDWICK. It is here in evidence.

Mr. ADCOCK. The fact that the Speedway proposition was in the hands of the Secretary of War necessarily took it out of the jurisdiction of the commission, did it not—or this hospital commission?

Mr. HARE. Unquestionably so. It was before the Assistant Secretary of War to decide at that time.

Senator HARDWICK. Therefore you would not appeal to Gen. Noble to ask his advice as a member of this commission?

Mr. HARE. I appealed to him as an individual officer, familiar with hospital matters, and he may have been occupying three or four different positions at that time.

Senator HARDWICK. Yes; he was occupying two.

Mr. BENNET. Mr. Hare, prior to September 26, when you decided the Speedway matter, you had never seen Mr. Edward Hines in your office?

Mr. HARE. The first time I saw Mr. Edward Hines was when he came to my office.

Mr. BENNET. The 1st of October?

Mr. HARE. I have it here.

Mr. BENNET. Refer to your memorandum.

Mr. HARE. It was after the disapproval, of the first disapproval.

Mr. BENNET. I think probably we would clarify the situation if we would refer to the first and second disapprovals—the 26th of September and the 1st of October. Prior to the first disapproval you had not seen Mr. Edward Hines?

Mr. HARE. No.

Mr. BENNET. Nor George Shank?

Mr. HARE. No.

Mr. BENNET. Nor Jacob Newman?

Mr. HARE. No.

Mr. BENNET. So that if you were under the impression this morning that you thought it was odd that these gentlemen were so persistent in advocacy of the matter, the fact is that up until the time you rejected the proposition on the 26th of September Mr. Shank, Newman, and Mr. Hines, none of them, had been to see you?

Mr. HARE. Mr. Erskine had been in to see me.

Mr. BENNET. If you will just permit me, these other gentlemen had not seen you at all?

Mr. HARE. Between the 18th and the 24th?

Mr. BENNET. The 26th.

Senator HARDWICK. Prior to the 26th.

Mr. HARE. I do not think they did. I am not sure.

Mr. BENNET. So that they had not had anything to do, had any connection with you which could be in any degree characterized as persistent?

Mr. HARE. My information was that Mr. Hines and Mr. Newman and Mr. Shank had been constantly in touch with the officers of the construction division.

Mr. BENNET. But you knew that they had been drawing a contract?

Mr. HARE. I found that they had been working since far back in the past. All that came to me between the time that the first proposal was brought to me and the time when it was—

Mr. BENNET. Between the time—the 31st of August—when Mr. Erskine signed the contract and the 26th of September, is it your information that he was in Washington at all?

Mr. HARE. Mr. Hines?

Mr. BENNET. Shank.

Mr. HARE. Between the 31st of August and the 26th of September—I do not know whether he was here then or not.

Mr. BENNET. Have you any memoranda from which you can ascer-



Mr. HARE. I think I could get that from Col. Wright—when he began and how often he followed it up. I think that is the easiest way.

Senator HARDWICK. We have that from Col. Wright.

Mr. BENNET. Mr. Chairman, the fact is that all of the testimony of everybody is that Mr. Shank signed the contract and started right back to Chicago.

Mr. HARE. I do not know. You are asking me about matters about which I have no knowledge.

Mr. BENNET. When you do not know, simply say that. You have not heard the evidence?

Mr. HARE. No.

Mr. BENNET. You are not familiar with it?

Mr. HARE. No; I have only been up here to-day.

Senator HARDWICK. It is in evidence, and it will show for itself.

Mr. BENNET. As far as you know, Mr. Hines was not in Washington between the 31st of August and the 26th of September, and the same thing is true of Mr. Newman?

Mr. HARE. I do not know. I would like to refresh my memory on that.

Mr. BENNET. I would be glad to have you do so.

Mr. HARE. I would like to have Col. Wright find out. I will take Col. Wright's statement for the fact. They were not talking to me. I do not know whether they talked to him or not.

Mr. BENNET. Between the 31st of August and 26th of September none of these men communicated with you in person, over the telephone, by telegraph, in any other way?

Mr. HARE. No, sir.

Mr. BENNET. So that you were not influenced one way or another by any one of these men? That is right?

Mr. HARE. Yes.

Mr. BENNET. Now, let me have your memorandum of September 26, disapproving this proposition.

Mr. HARE. Do you mean the original disapproval of it?

Senator HARDWICK. If you have a copy of it, let us have it.

Mr. ADCOCK. I do not know that I have a copy. In the Statesbury report there is a copy.

Mr. HARE. You are welcome to any papers that I have here.

Mr. BENNET. If I had it I would produce it. I have never seen it.

Mr. HARE. You know, the secretary approves it by writing his approval on the face of it. That is on the original papers. Col. Wright probably has them, if he is in the room.

Mr. BENNET. Without beating around the bush, let me ask it in another way. In the original of that memorandum there was the figure of \$1,410 per bed?

Mr. HARE. That was the \$1,410 in it. That was brought in the other day.

Mr. BENNET. Do you know where that originated?

Mr. HARE. I presume with the director of operations, Col. Wyllie, or one of his right-hand men.

Mr. BENNET. Do you know who gave Col. Wyllie that statement of \$1,410?

Mr. HARE. I do not.

Mr. BENNET. Did you not use the figure \$1,410?

Mr. HARE. That \$1,410 stuck in my mind, and I took my pencil the day and figured it out and found that it was wrong.

Mr. BENNET. So that it is probable that this \$1,410 came from me?

Mr. HARE. No; it did not come from me.

Mr. BENNET. You do not think that it came from the director of operations?

Mr. HARE. Yes; certainly I do.

Mr. BENNET. You think that he sent that to you?

Mr. HARE. Yes; they made a mistake in calculation, as anyone might do. They prepared that memorandum.

Mr. BENNET. You never used that figure—\$1,400 or \$1,410?

Mr. HARE. I did until I discovered that the figure was wrong.

Mr. BENNET. You used that same figure that they did?

Mr. HARE. I did. I used the same figure that they did. I think must have gotten it from them, but if I may be allowed to say I think it is thoroughly immaterial whether it was \$1,410 or \$1,367. The difference between \$1,410 and \$1,367 is not very apparent.

Mr. BENNET. Inasmuch as it was neither it probably is immaterial. Prior to the 26th of September did you know about these two other propositions that I mentioned here?

Mr. HARE. Prior to what?

Mr. BENNET. The 26th of September.

Mr. HARE. What propositions do you refer to?

Mr. BENNET. If you will kindly read that [handing paper to the witness].

Mr. HARE. This is a memorandum to the Surgeon General, and I might explain for the information of everyone that my understanding is that when the Assistant Secretary of War disapproves of any object it is sent up to Gen. Jervay, and his department prepares a memorandum of this kind, or something of this kind, and forward to the proper department:

SEPTEMBER 27, 1918.

Memorandum for the Surgeon General.

Subject: Construction of general hospital, Haywood, Ill.

The Acting Secretary of War directs that you be informed, in view of the fact that 4,000 beds can be provided for at Fort Sheridan, at a cost of \$737 per bed, and further in view of the fact that it appears possible to secure an additional 6,200 beds by erecting temporary buildings at Speedway Park and Washington Park—

There again that "Speedway Park" was a palpable typographical error.

Mr. BENNET. Corrected by the memorandum of October 4.

Mr. HARE (continuing)—

A project for building a permanent hospital at Speedway Park at a cost of \$1,410 per bed is disapproved. It is directed that further study be given to the general subject of securing additional beds at Speedway Park, Washington Park—

Mr. BENNET. That is correct?

Mr. HARE. That is correct; yes, sir [continuing reading]—

and the new Field Columbia Museum, and that a report covering these projects be made to this office promptly.

For the director of operations.

R. E. WYLLIE,

Colonel, General Staff, Chief Equipment Branch Army Operations Division.

Mr. BENNET. Now, you had decided this matter on December 26?

Mr. HARE. Yes.

Mr. BENNET. And this memorandum was sent out from the Director of Operations on September 27. It contains the same figures that you had in mind until a later date?

Mr. HARE. Four thousand beds?

Mr. BENNET. No; the price, \$1,410.

Mr. HARE. \$1,410?

Mr. BENNET. Yes.

Mr. HARE. Yes.

Mr. BENNET. That was the figure that at that time you had in mind?

Mr. HARE. Yes.

Mr. BENNET. And also it mentions two other projects, one at Marquette Park and the other at Washington Park, Chicago. Did you know about those two projects?

Mr. HARE. Yes; those had been talked over by this architect, Hunt, who brought them up first, and said there were several other parks in Chicago called Marquette Park and Washington Park; and there was still another, a third one; and when this proposition came before me we sent out Col. Starrett, and we said, "Look around, all around Chicago, and find out what others there are. There must be other places than this Speedway. Let us see about what the situation is around Chicago."

Mr. BENNET. My recollection of Col. Starrett's report is—at least, as I remember it—he states that it was confined to three propositions.

Mr. HARE. What were those; do you remember?

Mr. BENNET. The Speedway, Fort Sheridan, and the Field Museum.

Mr. HARE. He may have so stated. He may be correct in his statement.

Mr. ADCOCK. May I interrupt here for a moment? You were talking of the Field Museum. As I understand, that was mentioned in the Starrett report, the old and the new museum.

Mr. HARE. That is right.

Mr. BENNET. So that every alleged fact in this memorandum of September 27 you knew; that is, that according to your figures, to convert the Speedway into a hospital would cost \$1,410 per bed; that there were two projects, one at Marquette Park and one at Washington Park at Chicago; is that correct; and also that the new Field Columbia Museum was under consideration?

Mr. HARE. I have already explained that that is described in certain reports. I can not answer a question like that.

Mr. BENNET. I will ask the stenographer to kindly read the question and let us see what is the trouble with the question.

(The last question was read aloud by the stenographer.)

Mr. HARE. I will answer that in this way: That I knew these parks were under consideration, and that whether it was the old or the new Field Columbia Museum they were after I do not recall. I think it was probably the old Field Museum. But the fact remains that these men were looking around at various projects.

Mr. BENNET. Which men?

Mr. HARE. Col. Starrett.

Mr. BENNET. Despite the fact that he states in his report that he sent out there to investigate only three projects?

Mr. HARE. And the hospital commission—

Mr. BENNET. I am not talking of the hospital commission, for the present. Now, I am taking the director of operations and what he saw, and am asking you whether it is not a fact that every fact that you believed to be accurate at that time, including the cost of beds at the Speedway, \$1,400 per bed, the fact that there were two projects at Chicago, the Jarvis Hunt propositions at Marquette Park and at Washington Park, and that the new Columbia Field Museum was under consideration, were of your knowledge—

Mr. HARE. Now you are changing the question again. I thought you were asking about the director of operations. I can not answer you what was in his mind.

Mr. BENNET. I am asking whether those facts were not in your mind?

Mr. HARE. The fact that those places were under consideration at that time?

Mr. BENNET. That there were such projects as the Marquette Park and the Washington Park?

Mr. HARE. I knew, in a general way, that Marquette Park and Washington Park and several other places were being looked into.

Mr. BENNET. Do you know where those figures of \$6,200,000 were obtained?

Mr. HARE. Where they could possibly be obtained?

Mr. BENNET. Where those figures, \$6,200,000, were obtained?

Mr. HARE. No.

Mr. BENNET. You never did know?

Mr. HARE. Not that I recall. There were considerations at that time as to where we could get all kinds of beds, one at one park and one at another.

Mr. BENNET. Mr. Jarvis Hunt was in conference with you at that time?

Mr. HARE. Very much. He came to us and was introduced to me by Secretary Crowley, and he said: "Here is an architect from Chicago, who has certain plans which he is interested in." And from that time Mr. Jarvis Hunt was in the construction division, and came in to see me about his various plans, and I had a number of conversations with him, and he mentioned that there were several proposed park sites around Chicago.

Mr. BENNET. How many times in the month of September would you say that Mr. Hunt came in to see you?

Mr. HARE. I do not recollect; several times, I should say.

Mr. BENNET. Mr. Hunt impressed you as being a keen, able man, apparently a well-trained architect?

Mr. HARE. I was not qualified to judge. He had those plans that he showed to me as though they were pretty good and, not knowing anything about them, I turned them over to the construction division.

Mr. BENNET. Mr. Hunt was not what you would call a taciturn man?

Mr. HARE. Possibly.

Mr. BENNET. He was rather loquacious?

Mr. HARE. I thought he talked a great deal.

Mr. BENNET. What, if anything, did you say to him about the Speedway proposition?

Mr. HARE. I do not remember saying anything to him about the Speedway proposition other than it was under consideration when he was in there.

Mr. BENNET. What did he say to you about its being under consideration?

Mr. HARE. Nothing, according to my recollection.

Mr. BENNET. You do not consider it at all significant that in this memorandum of September 22 the Fort Sheridan proposition and the Speedway proposition are in no way mentioned as competitive propositions, while the Speedway proposition and the Jarvis Hunt propositions are?

Mr. HARE. Oh, absolutely not. You are trying to inject something into this case that has no more reason for being there than the man in the moon. Jarvis Hunt and those things had nothing whatever to do with the decision of the committee.

Mr. BENNET. I am thankful for assistance from the witness.

Senator HARDWICK. Let us proceed in good nature.

Mr. BENNET. Oh, surely. I will ask you to read this paper [handing paper to the witness].

Mr. HARE. I have read it.

Mr. BENNET. If you do not need it, do not read it. It is a fact that the Jarvis Hunt proposition and the Speedway proposition are mentioned as competitive propositions at that time?

Mr. HARE. I do not think so.

Mr. BENNET. I will read this whole thing:

SEPTEMBER 27, 1918.

Memorandum for the Surgeon General.

Subject: Construction of general hospital, Maywood, Ill.

The Acting Secretary of War directs that you be informed, in view of the fact that 4,000 beds can be provided for at Fort Sheridan at a cost of \$737 per bed, and further in view of the fact that it appears possible to secure an additional 6,200 beds by erecting temporary buildings at Speedway Park and Washington Park, the project for building a permanent hospital at Speedway Park at a cost of \$1,410 per bed is disapproved.

Does it not occur to you that one of the reasons given for not taking the Speedway was that if they needed any beds in addition to the 4,000 beds, they could get an additional 6,200 beds by erecting temporary buildings at Marquette Park and Washington Park?

Mr. HARE. No; it does not occur to me in that way. It occurs to me that we were after a lot of other things than those mentioned in this memorandum.

Mr. BENNET. You were disapproving the Speedway proposition?

Mr. HARE. Disapproving that as against Fort Sheridan, at that time.

Mr. BENNET. Do you say that is against Fort Sheridan?

Mr. HARE. Is not that the first disapproval?

Mr. BENNET. The first disapproval.

Mr. HARE. That was absolutely disapproved, and Fort Sheridan was accepted on the same date, both having been recommended by the Construction Division.

Mr. BENNET. There is no doubt about that, but the situation was this—if I am wrong, correct me—that according to Col. Northing-

his testimony the requirements in the Chicago district were 12,000

Mr. HARE. That is the first time I have heard 12,000 mentioned. I have heard 10,000. That was the figure I had in mind.

Mr. BENNET. Ten thousand beds. You are right about it. Ten thousand beds, for which there was great haste; is that right?

Mr. HARE. I think we were always in a rush in those days.

Mr. BENNET. Now, the Fort Sheridan proposition, according to memorandum, provided 4,000 beds, and that leaves 6,000, does it? That is a simple subtraction.

Mr. HARE. You must remember that the 4,000 beds at Fort Sheridan was not a final figure. They said they were building 4,000 and were building 5,000.

Mr. BENNET. That was all you knew? At that time you thought had 4,000 and you had to provide 6,000 more?

Mr. HARE. Yes; 6,000 more.

Mr. BENNET. And the situation on the 26th of September was there was no hospital proposition under consideration in the city of Chicago except the Speedway proposition?

Mr. HARE. I do not know about that.

Mr. BENNET. That is, so far as you know.

Mr. HARE. Being thoroughly unfamiliar with what construction was going on in Chicago, I do not think that I can answer the question at all.

Mr. BENNET. So far as it comes within your knowledge, that was only one, was it not?

Mr. HARE. Yes, sir.

Mr. BENNET. The Speedway was under consideration at that time?

Mr. HARE. Yes.

Mr. BENNET. You heard the testimony here the other day that on 26th of September it was 75 per cent completed?

Mr. HARE. Yes; and I should like to refer to this supplemental report which says that it was not 75 per cent completed at that date.

Mr. BENNET. All right; we are out for information.

Mr. HARE. I have here a letter of September 28 from Col. Starrett [reading]:

SEPTEMBER 28, 1916.

Memorandum for Mr. C. W. Hare, Acting Secretary of War's office.

From: Col. W. A. Starrett, Quartermaster Corps.

Referring to the physical condition of the work at the Speedway Hospital in Chicago, as seen by me during my visit there on Saturday, September 21, I report as follows:

The foundations of the outside walls of the main building were all in and water table seemed to be set all around. At one end of the building the work was up about 8 feet high, with perhaps a hundred window frames in place being bricked in. The roof of the grandstand was being dismantled above this most advanced portion of the work, and a piece of the wooden platform about 150 yards long had been taken down to supply lumber for various uses in connection with the work.

I had gone to the job with Mr. Felt, regional director of the War Industries Board, and Lieut. Col. C. C. Wright of the Construction Division. I saw no Government inspectors there and met nobody representing the Government other than the two above named, unless it can be considered that Richard E. Schmidt, actively engaged as consulting architect by the Construction Division in the work of the work going ahead, is a Government inspector. He was there. All of us were on the same mission, namely, to ascertain as quickly as possible all of the facts so that report could be made to you, which report was

submitted on September 24. Nothing was said to me about Government inspectors being on the site; in fact, I concluded that quite the opposite was the case.

3. Mr. Shank was very much concerned because the job had not been cleared by the War Industries Board, and, therefore, no priorities were obtainable. Now, he and one or two of his head men appealed to Mr. Felt to do something immediately to enable them to get priorities as they were rapidly running out of materials. Mr. Felt said he could not do anything until the job had been properly cleared. Col. Wright and I were similarly appealed to, but we said that we could not do anything looking toward authorization excepting through the proper channels. There was much discussion as to the loss which would be involved if the Government did not approve the project and, while I do not definitely recall that Mr. Shank took part in this discussion, it was certainly a considerable part of the general discussion that took place, as surprise was evidenced on every hand that anyone should be willing to make such an active start on the job without any authority whatsoever. Throughout my whole investigation of the matter I was fully under the impression that no official authority had been issued and that Shank had started on his own initiative purely on the supposition that Government authorization would be forthcoming.

W. A. STARRETT.

*Colonel, Quartermaster Corps.*

MR. BENNET. That is, so far as you knew and as far as Col. Starrett states, Mr. Shank took no part in the discussion?

MR. HARE. All I know is what I have just read.

MR. BENNET. Yes; and we being both laymen, I presume we are not competent to state what really was completed, by his statement in there?

MR. HARE. No; but that left on my mind the impression that it was about one-fourth finished.

MR. BENNET. You had never had any experience in the construction of buildings?

MR. HARE. No, sir.

MR. BENNET. You were connected with the United Gas & Improvement Co. in Philadelphia, locally known as the U. G. I.?

MR. HARE. That is correct.

MR. BENNET. And a portion of the time you were there you had been connected with the advertising department?

MR. HARE. No; I never was.

MR. BENNET. You never were connected with that department?

MR. HARE. I was connected with it as manager of the new business department.

MR. BENNET. You had nothing to do with the construction of buildings?

MR. HARE. No, sir.

MR. BENNET. No; see if I summarize the situation correctly on the 26th of September, the time of the first rejection. The procedure usual in the War Department had been followed on this proposition, clearance had been had; that is, the matter had been favorably reported upon, and recommended by the Construction Division of the Quartermaster by the Surgeon General's Office by the Director of Operations, the price per acre of land had been fixed or recommended by Maj. Holden, of the real estate, and in order to make it an effective project, if I may use that term, all that was needed was the signature of the Acting Secretary of War. Is that correct?

MR. HARE. That is correct.

MR. BENNET. I omitted one thing that I did not mean to omit. There has been a clearance of the War Industries Board?

**Mr. HARE.** There had not been a clearance of the War Industries Board, because that was the very thing that Mr. Baruch took up. They refused to clear it and then cleared it under protest, as will appear from the papers in the case.

**Mr. BENNET.** There has been a clearance under protest? You heard Mr. Crowell's statement that if he had been going to approve a matter he would have taken the matter up with Mr. Baruch; but as far as the record went there was a formal clearance by the War Industries Board?

**Mr. HARE.** No; that was one of the facts in the case, that it was not usual clearance, because clearances were clearances not under protest. They go through as being approved by the War Industries Board.

**Mr. BENNET.** I mean, so far as a formal, written record went, there was a clearance by the War Industries Board?

**Mr. HARE.** So far as a formal written record went, there was a clearance, with that limitation.

**Mr. BENNET.** Was it attached?

**Mr. HARE.** It was attached to the papers. I presume it is in the record. Col. Wright will undoubtedly show you the paper, if you want every paper brought in, and my recollection is very clear on that, because it was the first time that occurred. I always looked for clearances from the War Industries Board, because that was a part of the procedure. That was what the board was set up for. When I got that case and I found the statement that they cleared this under protest, first having refused to clear it and then clearing it under protest, I should say it was not officially cleared in the usual acceptance of the term.

**Mr. BENNET.** Besides that one matter, if your recollection is correct that that was in writing, was there any written disapproval on the part of any Government department on the 26th of September?

**Mr. HARE.** None that I recollect.

**Mr. BENNET.** So that, therefore, everything that was before you relating now to the particular project itself, was favorable; and how did you fix that price of \$1,410 per bed?

**Mr. HARE.** I must have gotten that from the misstatement in the report. Anybody could see that it was wrong. I did not take the trouble at that moment to figure it for myself. I did so later, and found out at once that it was wrong.

**Mr. BENNET.** You figured and found out that there were 460,000 square feet in the main building and the additional building?

**Mr. HARE.** No.

**Mr. BENNET.** You heard the architects state that the other day?

**Mr. HARE.** No, sir.

**Mr. BENNET.** Four hundred and sixty thousand square feet?

**Mr. HARE.** No, sir.

**Mr. BENNET.** Were you not in the room at that time?

**Mr. HARE.** No; I was not.

**Mr. BENNET.** You will accept my assurance, I presume, that it was testified?

**Mr. HARE.** Yes.



Mr. BENNET. You regard Gen. Marshall as a competent authority on construction, do you not?

Mr. HARE. Yes, sir; I do.

Mr. BENNET. He stated before the committee that the proper way of getting at the number of beds was to take 70 per cent of the square feet and divide that by 80. That is not a difficult thing to do, is it?

Mr. HARE. I should think not. I should like to read you a statement that was prepared to cover that very point, by Col. Wright, in order to clear up that matter, and I have it here. I would like to read it.

Mr. BENNET. We would like you to do so.

Mr. HARE. It was prepared, and that was brought out by Mr. Crowell the other day. It is dated January 31. A memorandum from Lieut. Col. Wright to the Secretary. (Reading:)

WAR DEPARTMENT,  
OFFICE OF THE CONSTRUCTION DIVISION OF THE ARMY,  
Washington D. C., January 31, 1919.

From: Lieut. Col. Wright, Building Division, Construction Division.

To: The Assistant Secretary of War. Attention Mr. Hare.

1. Replying to your telephone inquiry of even date, with reference to the statements made before the Senate Committee on Public Buildings and Grounds this morning as to the method employed by Gen. Marshall for computing the capacity of hospital beds, based on the total square-foot area of the buildings, you are advised that a reading of the hearings before the committee will bring out the following facts:

(a) That the committee asked Gen. Marshall if there were certain existing military posts which might be used for hospital purposes and which were not at the present time being used by the Army. Gen. Marshall replied that there were certain posts that were not at present being used by the Army, but that he had no knowledge of the plans of the War Department with reference to same.

(b) He was then asked that, if such posts could be turned over to other Government agencies by the War Department, what the bed capacity would be. Gen. Marshall then replied that from his knowledge of these existing Army posts, a very rough method of calculating a possible bed capacity would be to take the total area of the buildings which were to be given up entirely for housing soldiers, allow 30 per cent for corridors, toilet rooms, operating rooms, and other utilities, and the balance of 70 per cent of the area would be available for beds on a basis of 80 square or 800 cubic feet per man.

2. The plans of the Speedway hospital, as presented to the Construction Division, provided for a bed capacity of 2,500 beds, in the main hospital building. Portions of this building were given up to corridors, quiet rooms, toilets, nurses' rooms, operating rooms, linen rooms, solariums, etc., all of which were considered by the Surgeon General as necessary adjuncts to a hospital of this nature. The rule of thumb, employed by Gen. Marshall for roughly determining bed capacities in existing buildings, has nothing whatever to do with the proportionate areas of actual ward space to total square-foot area of an entirely new hospital proposition. In other words, the new 2,500-bed addition to Fort Sheridan, the new 2,000-bed hospital at Camp Mills, and others of similar character have a great deal of space given up for various utilities as above outlined, and the capacity of such hospitals, based on the square-foot area of the entire plant, will compare very closely to that of the Speedway hospital. It is, of course, true that in any great emergency many of these hospitals might be increased by a considerable number of beds, but that under normal operation the capacity would remain as stated above.

3. It can be definitely stated that until after the disapproval of this project by the Assistant Secretary of War the Speedway hospital was always considered by the Surgeon General's Office and the Construction Division as having a capacity of 2,500 beds, and none of the parties representing the owners of the property ever brought up the fact that the capacity could be very greatly in-

in the same areas. The recollection of the undersigned is that Mr. Broughton brought up this point in conversation some time after October 5 and attempted to draw a comparison in areas and bed capacities between the Field Hospital and the Speedway hospital.

increase the bed capacity of Speedway, as it is now shown on the plans, be necessary to change very materially the layout of the floor plans, various of the utilities mentioned above. So far as I know, the Surgeon General has never considered doing this, and the plans are fully studied by that office.

G. C. WRIGHT,

*Lieutenant Colonel, Quartermaster Corps.*

BENNET. As a matter of fact, there are fewer feet of floor in the Field Museum, if Mr. Schmidt is correct, than there are in the Speedway, are there not?

HARR. I do not know, sir.

BENNET. Do you want to leave with the committee and with the understanding that in relation to the number of beds relied entirely upon the construction division?

HARR. When we talk of this reliance, and how I arrived at my conclusion, I want to state again that I used the various agencies of the Government in acting as eyes and ears for the department. I understood and knew that they were all careful and reputable officers and I felt that I was justified in considering their statements as given with the best possible intention and as accurately as they could be given.

BENNET. And, therefore, if an officer of the Government such as Richard E. Schmidt was to say that there were more square feet in the Speedway than at the Field Museum, you have no quarrel with that statement?

HARR. Who was Mr. Schmidt?

BENNET. He was one of the members of this commission which has been alluding to.

HARR. The construction division never presented the case in any way except on the question of beds. We were given the number, 4,000 beds, and we figured our price on that.

BENNET. And you made no independent investigation?

HARR. No independent investigation at all; and when the construction division says as I have just read in this statement, which is a very clear one, I think it covers the point.

BENNET. So that you disagreed with Secretary Crowell that in case of emergency, if the hospital had not sufficient beds they would use the floor space for beds, they would utilize it for patients?

HARR. I do not remember that he made any such statement. I remember it, he said that in considering hospital space he put patients in beds and not on the floor; but the one thing that was not in my mind in considering this entire question was a 2,500-bed proposition as against the 5,000-bed proposition; not the square

BENNET. If, as a matter of fact, this Speedway proposition, when measured by the same methods of measurement used at the Field Hospital, was a 4,000-bed proposition—

HARR. With your permission, sir, that has nothing whatever to do with this case.

BENNET. I think it has.

Mr. HARE. I want to make it very emphatic that so far as the War Department is concerned it has nothing to do with the consideration of this case, and to inject into it at this time a certain proposition that a particular proposition of 2,500 beds which was turned down can now be shown to be a 4,000-bed proposition, which nobody was considering at that time, is, to say the least of it, the most peculiar thing.

Mr. BENNET. There is no use getting excited about it.

Mr. HARE. I wanted to make it as emphatic as I could.

Senator LENROOT. Whatever else might have been the fact, this is a 2,500-bed proposition.

Mr. HARE. Yes; and I am considering it on that basis; and I am perfectly satisfied that under certain circumstances they could put five men in a room that was meant for one.

Mr. BENNET. When you testified this morning before the committee, did you intend to give them all the facts in relation to the various conversations, in relation to the various documents brought to your attention?

Mr. HARE. I meant to give them anything they asked for.

Mr. BENNET. And you intended your statement to be conclusive?

Mr. HARE. I am not going to swear to that. There may be a lot of other things I want to bring out.

Mr. BENNET. For instance, did you give your entire conversation with Maj. Stotesbury?

Mr. HARE. Yes; not verbatim. Nobody can do that. I gave you the purport of that conversation, to the best of my recollection.

Mr. BENNET. In addition to the purpose of it, did you not say to Maj. Stotesbury some rather unfriendly things in relation to Mr. Edward Hines?

Mr. HARE. Positively, no. I told him the information we had from Col. Starrett's reports in regard to Erskine and Hines, and I asked him if he had looked into it.

Mr. BENNET. Did you not mention those things with some emphasis, and call Maj. Stotesbury's attention to the fact that Hines had been expelled from the Union League Club?

Mr. HARE. If that is a part of the Starret report, I mentioned what is in his report.

Mr. BENNET. Yes; the informal one of the 18th of December last?

Mr. HARE. Yes; because I wanted to find out what Maj. Stotesbury's conclusions were in connection with the thing.

Mr. BENNET. Did you not at that time indulge in what might be regarded by Maj. Stotesbury as aspersions on Mr. Hines' reputation?

Mr. HARE. Absolutely not.

Mr. BENNET. You did not mention that, about his being expelled from the Union League Club?

Mr. HARE. I mentioned whatever is in Col. Starrett's report. You are familiar with that report.

Mr. BENNET. Yes; and you did not think you ought to tell the committee this morning that the question of Mr. Hines' reputation had been brought up unless you told——

Mr. HARE. The committee itself said they did not care to have Col. Starrett's report put into evidence.

Senator LENROOT. I asked you if that had any weight whatever with you in reaching your decision?

Mr. HARE. It had no weight whatever with me in arriving at the conclusion in this case.

Mr. BENNET. In your conversation with Gen. Noble about the comparative desirability and usefulness of the Speedway and the Field Museum, which you say was on October 3, did you bring to his attention the fact that the two and a half million proposition at that time had attached to it—

Mr. HARE. In my conversation with Maj. Stotesbury in regard to the available places?

Mr. BENNET. In your conversation with Gen. Noble, I said.

Mr. HARE. Oh, with Gen. Noble. I thought you said with Maj. Stotesbury.

Mr. BENNET. Did you bring to Gen. Noble's attention the fact that the Field Museum proposition at that time had attached to it a 40 per cent repurchase clause?

Mr. HARE. What was the date of that?

Mr. BENNET. October 3, you fixed it.

Mr. HARE. October 3; yes.

Mr. BENNET. Was that after the second proposition had come in?

Mr. HARE. No; before.

Mr. BENNET. This did not have anything to do, then—

Mr. HARE. How could it have!

Mr. BENNET. Did you not know that prior to the 3d of October the Shank Co. in writing had presented to you a 40 per cent repurchase option on the two and a half million proposition?

Mr. HARE. I can tell you the date of that. It is a perfectly clear thing. I am perfectly willing to say what the date was without looking into it. That is on file there. This statement of Gen. Noble is October 3.

Mr. BENNET. Yes [Handing paper to the witness.]

Mr. HARE (after examining paper). October 1. I remember that. I do not think I mentioned that to Gen. Noble.

Mr. BENNET. I will just read one clause from this letter.

Senator HARDWICK. Who was it that wrote that in the letter?

Mr. HARE (reading):

The Secretary of War, attention of Mr. Hare.

I will put the whole letter in and read only one paragraph of it. [Reading:]

Naturally we would have no use for this property, but our confidence in its value is such that we are ready at any time during the next five years, if the Government should conclude to abandon the hospital (as it would its temporary structures), to take the property off its hands (exclusive of the furnishings, which remain the property of the Government) and pay the Government for the same \$1,000,000.

Under this proposition the Government would have the use of the hospital for five years at a cost of \$600 per bed, or \$120 per bed per annum on basis of the contract price of \$2,500,000 named in said draft of contract, or if you add \$500,000 more for the additional buildings the Government has in mind, making the total cost \$3,000,000, the cost per bed during the five years would be \$800, or \$160 per bed per annum.

(The letter above referred to is here printed in full in the record, as follows:)

THE NEW WILLARD,  
Washington, October 1, 1918.

Attention of Mr. Hare.

TO THE SECRETARY OF WAR: During our conference with Mr. Hare this morning, we understood that the Government was inclined to the construction of temporary hospitals, largely as a matter of economy and that their use by the Government would not cover a very long period of time.

We have been considering this view of the matter, and in order to meet the view of the Government as to ultimate cost, we beg to suggest the following:

The draft of contract prepared by Maj. O'Brien on behalf of the Government plainly calls for a modern, fireproof hospital (with three or four other small structures) for the accommodation of 2,500 beds, which would make the price per bed only \$1,000 and not \$1,500 per bed as was suggested at the conference. The additional buildings contemplated by the construction department were never included in the draft of contract or definitely agreed upon at any time.

Naturally we would have no use for this property, but our confidence in its value is such that we are ready at any time during the next five years, if the Government should abandon the hospital (as it would its temporary structures) to take the property off its hands (exclusive of the furnishings which remain the property of the Government) and pay the Government for the same \$1,000,000.

Under this proposition the Government would have the use of the hospital for five years at a cost of \$600 per bed; or \$120 per bed per annum on basis of the contract price of \$2,500,000 named in said draft of contract; or, if you add \$500,000 more for the additional buildings the Government has in mind making the total cost \$3,000,000, the cost per bed during the five years would be \$600, or \$160 per bed per annum.

Should the Government conclude to accept this proposition, the same can be reduced to writing mutually satisfactory, and the Government need pay us only \$1,500,000, under the contract, holding as security the remaining \$1,000,000 (out of the purchase price) and invest same in Liberty bonds, the interest coupons to be delivered to us as they mature. If, on or before the expiration of five years, the Government concludes to retain the hospital, it will deliver the \$1,000,000 of Government bonds to us; on the other hand, if the Government concludes not to retain the hospital, the \$1,000,000 in Government bonds becomes the property of the Government.

Yours, very truly,

GEO. H. SHANK,  
President Shank Co.

MR. BENNET. You knew that on October 3?

MR. HARE. I knew that when I had my talk with Gen. Noble.

MR. BENNET. And you did not bring it to his attention?

MR. HARE. I do not believe I did. To the best of my recollection, I did not; but it certainly was not for the purpose of holding anything back.

MR. BENNET. I am not making any accusation; I am asking you what you did. You did not bring that to Gen. Noble's attention?

MR. HARE. No; I do not think I did in that telephone conversation. I started to ask him which one he preferred, because he was interested as to what action the Secretary of War or I might take.

MR. BENNET. You wanted his best opinion, did you not?

MR. HARE. Not on the question of money. I wanted his best opinion so far as the hospital was concerned. If he had wanted the Government to spend \$10,000,000 he would not have been allowed to do it if we did not think it was for the best interests of the Government.

MR. BENNET. You did not think it was material at all that he should know about this offer of repurchase?

MR. HARE. Not at all; because he had nothing to do with the finances of the thing—at all. All I wanted was his judgment as a medical man.

Mr. BENNET. When Maj. Stotesbury started out to make his investigation, where did he get the papers on which his investigation was based?

Mr. HARE. I do not know. From the Secretary of War. You see, when the thing was finally disapproved—and I want to put this into record—I dropped out of it and was trying to get back to my regular work. The matter was taken out of the Assistant Secretary of War's hands and turned over entirely to Mr. Baker, and I am not familiar with anything from that time on.

Senator LENROOT. That was when?

Mr. HARE. That was after October 24.

Mr. BENNET. So that after the 24th of October you did not have anything to do with the proposition?

Mr. HARE. Nothing whatever except from what I heard occasionally, and what Mr. Crowell told me.

Senator HARDWICK. This letter of November 27, a month and three weeks after, you were asked if you wrote it?

Mr. HARE. Is that the Poppenhusen letter?

Senator HARDWICK. Yes.

Mr. HARE. I can tell you all about it.

Senator HARDWICK. You wrote that?

Mr. HARE. At Mr. Crowell's dictation.

Senator HARDWICK. You mean that he dictated the letter?

Mr. HARE. Yes; in effect.

Senator HARDWICK. You mean that he requested you to write it?

Mr. HARE. Will you allow me to tell it just exactly the way it happened?

Senator HARDWICK. Yes.

Mr. HARE. As I say, after the final disapproval of this proposition went on with my regular duties, and one day Mr. Crowell sent for me and said, "Senator-elect McCormick and Mr. Poppenhusen and one else"—I forget for the moment who it was—"came in to me yesterday"—or to-day, or yesterday—"and discussed the entire midway project, and I made certain statements, and to-day I get a letter from Poppenhusen," and he read it to me.

This is the letter (reading):

THE NEW WILLARD.  
Washington, November 27, 1918.

BENEDICT CROWELL,  
Assistant Secretary of War.

Washington, D. C.

DEAR MR. CROWELL: At the conference participated in by Congressman McCormick, held yesterday, your statements,

1) Of the comparative cost per bed as between the Maywood and Fort Sheridan projects,

2) Of the disapproval of the Maywood site by the medical staff,

3) Of the fact that the Shank Co. bid was incomplete in that it omitted (to mention some of the important items) plumbing, heating, and lighting, and me the greatest surprise, which I could but emphasize by the statement that a terrible mistake evidently had been somewhere made by someone. You replied that the subject had received your personal attention and you knew the facts.

I should not now pursue the subject but for your very courteous and pressing attention to call on you for details supporting the disapproval of the Maywood vital project. In writing these lines, I am therefore not presuming on your

I have from the Shank Co. the following:

1) A copy of their proposal dated October 12, 1918, the original of which is in the files of the War Department, which clearly indicates that the bid as submitted includes heating and electric service according to requirements.

As a layman it appears to me, from a reading of the proposal, that nothing is omitted, required, or necessary for a complete, fireproof hospital.

(2) If the medical staff disapproved of the site, I am persuaded by the Shank Co. that such disapproval was never made known to them after signing the contract of August 30, 1916; in fact, they say they were lead to believe that such staff had approved the site.

(3) Confirming information reaching me from Chicago to-day is to the effect that the department has no firm, fixed-price bid for the work at Fort Sheridan, which is being undertaken on a cost-plus basis. No present accurate comparison of the cost per bed, is therefore possible at the present time. No doubt the cost per bed at Maywood—if the Shank Co. bid is complete, which a mere reading demonstrates—is much less than \$1,000 per bed, even though the capacity may be limited to 2,500 beds, and less than \$600 per bed if full capacity of 3,300 beds, on the same basis of air space, as at Fort Sheridan, is utilized.

The available square-foot area, all in favor of Maywood, is of course not conclusive, as plans indicate the devotion at Maywood of much space, to recreation and other than strictly hospital purposes.

As I am obliged to leave for Chicago to-day I thought I would submit to you promptly this statement for such further investigation and verification by you, as you see fit, as it seems to me, from such knowledge as I have acquired, a great injury may be done.

Respectfully,

C. H. POPPENHUSEN.

I said, "If you made those statements, Mr. Crowell, they were not altogether correct." He said, "In what respect?" I said, "If you said that the first project submitted did not have pipe and fittings in it, that was not proper. The first was not complete because it did not contain everything it might which the construction department had put up in order to make the hospital function as a whole." He said, "That, of course, was what was in my mind at the time." I said, "If you said that Col. Starrett disapprove of it, there were only two, one Col. Hornsby and the other Gen. Noble, who did not actually disapprove of it, and who stated that they preferred the Field Museum to the Speedway. In regard to the question of the price, you were absolutely right." He said, "Will you prepare a letter along those lines to Mr. Poppenhusen for my signature?" I then immediately prepared this letter and took it in to him [reading]:

NOVEMBER 27, 1918.

Mr. C. H. POPPENHUSEN,

*The New Willard Hotel, Washington, D. C.*

DEAR SIR: I have your letter of the 27th inst., and note that the statement you have from the Shank Co. differs in certain material facts from the statement which I made to you at our interview on the 26th inst.

Under the original proposition the cost of the Speedway Park hospital project amounted to \$3,410,000, or for 2,500 beds, at a cost per bed of \$1,364. The hospital at Fort Sheridan was to cost \$700 per bed for 5,000 beds.

When the original proposition submitted by Shank & Co. was declined by the War Department they submitted a new proposition containing a repurchase clause at the end of a five-year period, which brought the cost per bed down to \$782.90, or a cost per bed per year of \$156.60, as against a cost per bed per year at Fort Sheridan of \$70.

The statement that members of the medical staff disapprove of the site is correct, as is also the statement that the Shank Co.'s bid was incomplete, as it did not take into account the buildings necessary for housing the nurses and other personnel required by the hospital. These items amounted to over \$900,000, in addition to the original bid of \$2,400,000 by the Shank Co. for a complete hospital of 2,500 beds.

Yours, very truly,

*The Assistant Secretary of War.*

I am perfectly willing to admit that that last paragraph was not entirely clear as to what was in Mr. Crowell's mind at the time he held that conference. I think, talking of the proposition in two paragraphs, it was clear in the language of the last paragraph.

Now, while I was here the other day something was mentioned about this thing lying around on the desk, and everything slipshod. There is a peculiar incident in connection with that. That was signed by Mr. Crowell, and he moved up to the New Willard Hotel and some little time afterwards it was returned to the office because Mr. Poppenhusen was not here. It was sent in to me, naturally, because they saw my initials beside Mr. Crowell's signature, and I told the man in the office to find out where Mr. Poppenhusen's office in Chicago was and forward it there. That explains the delay between the date of the letter and Mr. Poppenhusen's receipt of it.

Mr. BENNET. Nobody has ever claimed that there was any delay there.

Mr. HARE. It was brought out while Mr. Crowell was on the stand the other day.

Mr. BENNET. Now, in this letter of November 27 you do not say a word about the proposition of October 1, do you?

Mr. HARE. In which letter?

Mr. BENNET. This letter of November 27, that you have just read.

Mr. HARE. No.

Mr. BENNET. And in the statement of October 22 you do not mention anything about the repurchase proposition of October 1?

Mr. HARE. In the statement of October 22?

Mr. BENNET. To the Secretary of War?

Mr. HARE. For the repurchase?

Mr. BENNET. The repurchase proposition of October 1?

Mr. HARE. I did not do—

Mr. BENNET. If you will just listen to my question I will be obliged. As applied to the first proposition of two and a half millions?

Mr. HARE. Let me read you just what I did say on the proposition.

Mr. BENNET. I would prefer that you did not. I would prefer that you say whether you referred to this proposition of October 1, giving a repurchase option on the terms of the first proposition. I am perfectly familiar with what you say on the second proposition. I am talking about the first proposition.

Mr. HARE. (Reading:)

As the result of giving Mr. Shank and Mr. Hines an opportunity to reconsider the entire project, on October 12 a new proposition was submitted, which is attached hereto and marked "Exhibit 1," which cuts the original cost of the 2,500-bed hospital, complete, from \$3,410,000 to \$3,253,475. Col. Wright explains that the reason this proposition is lower than the former proposition is due to the fact that Mr. Shank has not included a sum for contingencies, which it is the practice for the construction department to include. The new project, however, has a repurchase clause which states that at any time during the next five years the Shank Co. will be willing to repurchase the hospital ground, etc., for \$1,296,211, and will deposit this sum in liberty bonds with the Continental & Commercial National Bank, of Chicago, as a guarantee.

On Saturday, October 19, Mr. Hines called upon me and wanted to know if he could not have this project accepted at once, as he was being urged to subscribe to liberty bonds and had informed his Chicago friends that if he could put this deal through he would subscribe to the extent of \$1,296,211. I told him that the proposition had not been received from the director of operations,



and that any subscription which he cared to make for liberty bonds would have to be a personal one and not based in any way upon what action the Government might or might not take in connection with the proposed hospital.

If this last proposal of the Shank Co. is accepted it would mean that the Government would secure a fireproof hospital of 2,500 beds capacity at a cost per bed of \$1,804, or, if the repurchase clause is accepted, at a cost of \$782.90 per bed.

I am informed by Col. Wright that a later investigation at Fort Sheridan discloses the fact that they will be able to accommodate approximately 5,000 beds at that point at a cost of approximately \$700 per bed, and that, while this will largely be temporary construction, the life of this temporary construction may be considered fairly as of 10 years' duration.

Furthermore, as the result of Gen. Noble's investigation in Chicago it has been found possible to secure the Field Columbia Museum, which is capable of holding 4,000 beds, at a total cost of \$1,750,000 for the duration of the war and a reasonable period thereafter, or at a cost of \$437.50 per bed. This, under date of October 15, was approved by Gen. Jervcy and informally approved by the Assistant Secretary of War.

Col. Dickinson, under date of October 19, however, writes the attached memorandum, marked "Exhibit J," to Gen. Jervcy, recommending the disapproval of the Field Museum Building and the approval of the Speedway hospital site. Col. Dickinson says that his reason for his change of opinion in regard to the Field Museum is due to the fact that its cost is more than he originally estimated, and, furthermore, that, being situated on the lake front, it would be a colder site in winter than the Speedway Park, and, furthermore, that it has not the space around it for the use of convalescing patients that the Speedway Park project has.

It must be remembered that the leading Chicago hotels are on the lake front, and that many of the residences of the prominent citizens of Chicago are on the lake front. They tell me that they do not suffer from the cold winds from the lake during the winter, and the convenience of the Field Columbia Museum, from a railroad standpoint and from the standpoint of the families of the men who would be quartered there, is, of course, greater than if the hospital were placed at Speedway Park.

The entire hospital-bed requirements are undergoing revision at this time, and while the original number of beds required by the Surgeon General's department for Chicago and the immediate vicinity were originally estimated at 10,000, this figure has now been reduced, and it is considered that 8,500 beds will be ample. We are now sure of 5,000 beds at Fort Sheridan, at a cost per bed of approximately \$700. We have rented the Cooper Mountah Hotel at a cost of \$52,000 per year, with the privilege of renewing the lease at the same figure from year to year, where we have space for 600 beds, at a cost per bed of \$86.66.

We are therefore still in need of 2,900 beds in accordance with the revised estimate of the Surgeon General's requirements; 2,500 of these beds can be secured at Speedway Park under the revised offer of the George H. Shank Co. including the repurchase clause at \$782.90 per bed, or they can be secured at the Field Columbia Museum, together with 1,100 additional beds, for a margin of safety at a cost of \$437.50 per bed.

I made no recommendation about it, but put it up to the Assistant Secretary.

Mr. BENNET. Now, if you will pay a little attention to my question: In the reports you have just read you make no mention of the repurchase proposition dated October 1, 1918?

Mr. HARE. I do not know what one you refer to.

Mr. BENNET. The one of October 1, 1918.

Mr. HARE. Is not that the same as the one I mention here?

Mr. BENNET. No, sir.

Mr. HARE. Does it not offer the same amount of money?

Mr. BENNET. No, sir.

Mr. HARE. It says that should the Government conclude to accept this proposition, the same can be approved, giving the right to repurchase at the figure of a million and a half. I may not have specifically mentioned that, but I mentioned the repurchase clause there, in all its relations.

Mr. BENNET. Did you not realize that there were two propositions?

Mr. HARE. How do you mean, two propositions?

Mr. BENNET. A \$2,000,000 proposition and a proposition of \$3,250,-475, one made on or about the 23d of August and the other made on the 12th of October.

Mr. HARE. The second proposition that you mention was due to the fact that when it was made—

Mr. BENNET. No; I am not asking you what it was due to. Were there those two propositions?

Mr. HARE. My recollection was that that second proposition was combined with a repurchase clause; was it not part of it?

Mr. BENNET. There was a proposition of August 31, which Mr. Shank signed.

Mr. HARE. For 2,500 beds; that came in for two and a half millions.

Mr. BENNET. There was another proposition made of \$3,250,475?

Mr. HARE. That was after they had gone back to the department and had discovered that that was not included.

Mr. BENNET. Was it included?

Mr. HARE. Yes; it certainly was.

Mr. BENNET. Now, in relation to this proposition of two and a half millions, they made you a repurchase proposition of \$2,000,000 on the 31st of October, 1918?

Mr. HARE. According to that letter they did.

Mr. BENNET. And you never referred to that in any subsequent paper that you have brought to our attention, did you?

Mr. HARE. No; I do not think so, because I do not think—they immediately went back and refigured the whole thing on the basis of the repurchase clause which I have just given to you.

Mr. BENNET. And that fact was within your knowledge when you had the conversation that we are interested in, of October 3?

Mr. HARE. I do not know as it was.

Mr. BENNET. It is there, is it not?

Mr. HARE. I see it there now.

Mr. BENNET. It had been commented on favorably on the 2d of October by Col. Shelby, had it not?

Mr. HARE. I do not know. I do not recall. If Col. Shelby says so, of course it is so.

Mr. BENNET (reading):

The amendment to the proposition submitted under date of October 1, 1918, in a letter addressed to the Secretary of War from G. H. Shank, president of Shank Co., has been examined, and in the opinion of this office the option on the part of the Government to sell the property at any time within five years to the contractor for \$1,000,000 is a distinct advantage to the Government. It is believed that if the property is abandoned as a hospital by the Government that it will be difficult to realize \$808,000 as salvage from the improvements on the real estate.

Mr. HARE. I remember that. Is not that in connection with the repurchase clause?

Mr. BENNET. In connection with the repurchase clause of October 1, which I have just called to your attention.

Mr. HARE. How does that differ from the repurchase clause of the other?

Mr. BENNET. You have read the other repurchase clause.

Mr. HARE. You first offered to make it a repurchase for what, \$1,000,000, and then for——

Mr. BENNET. The repurchase clause of October 2 was——

Mr. HARE. [Examining papers.] October 6; and then afterwards it was one million, is that your point?

Mr. BENNET. And the further point that there was a repurchase clause in connection with the first proposition that you do not seem to have told anything about.

Mr. HARE. That is the first proposition that was turned down.

Mr. BENNET. I have read it to you.

Mr. HARE. You mean on the \$2,500,000 proposition?

Mr. BENNET. On the two and a half million proposition.

Mr. HARE. On the two-and-a-half-million proposition?

Mr. BENNET. Yes.

Mr. HARE. That I do not recall.

Mr. BENNET. Let me show it to you [handing paper to the witness]. Does not that refer to the two-and-a-half-million proposition?

Mr. HARE. This is dated October 1, and the first proposition was turned down on September 26. This does not refer to the first proposition.

Mr. BENNET. The second proposition was not submitted until October 12, was it?

Mr. HARE. You are talking about the first proposition. You said this referred to the first proposition, and it does not [indicating paper].

Mr. BENNET. It refers to the two and a half millions.

Mr. HARE. It does not refer to the first proposition. It was not before us at all, and had no bearing on our decision in the matter.

Mr. BENNET. That proposition was before you?

Mr. HARE. No; it was not before me at the time we considered the first proposition.

Mr. BENNET. That proposition was before you on October 1, 1918?

Mr. HARE. I will not swear to that. It may have been on the 2d——

Mr. BENNET. And it was commented on favorably by Col. Shelby on October 2.

Mr. HARE. I remember, now, I asked him to look into it from the legal point of view and see whether it was all right.

Mr. BENNET. He gave you that memorandum?

Mr. HARE. Then he followed that with the \$1,200,000, which was practically the same thing.

Mr. BENNET. If you will give me your attention for a moment. This proposition of October 1 was commented on favorably to you by Col. Shelby under date of October 2 in the memorandum I have just read to you?

Mr. HARE. I have got it right here.

Mr. ADCOCK. May I suggest that that line of examination has nothing to do, because this proposition of October 1 was merged into the proposition of October 12?

Senator HARDWICK. I do not understand the connection.

Senator FRANCE. It is not apparent.

Mr. BENNET. I will not go any further along this line.

Senator FRANCE. Could you not try to eliminate everything of this kind? I am not criticizing counsel, but it is important that we proceed.

Senator HARDWICK. I want to make a statement for the record. The force of Senator France's observation is borne on me just now. I have just been sent for and told that I am to manage one of the great appropriation bills in the Senate for the next two or three days, and I have asked the chairman, Senator Reed, to appoint Trammel of Florida as a member of this committee, because these proceedings must not be delayed.

Senator FRANCE. As chairman?

Senator HARDWICK. As an additional member. I expect to be with the committee when I do not actually have to be on the floor, but it shows what is likely to happen any minute.

Mr. BENNET. I am attempting to be brief. I think possibly the answers of the witness are rather long.

Senator FRANCE. The answers are long inasmuch as they involve the reading from letters, some of which are not entirely pertinent.

Mr. BENNET. When was it that Col. Hornsby told you that he disapproved the site of the Speedway?

Mr. HARE. He never told me.

Mr. BENNET. How did you know that he disapproved it?

Mr. HARE. Mr. Crowell told me that he had written a letter, not disapproving the site, but a letter in which he stated it was muddy or marshy.

Mr. BENNET. When did Mr. Crowell tell you that?

Mr. HARE. I do not exactly recall.

Senator HARDWICK. Was it before the first or second disapproval, or between the two, or when? I do not mean the exact date.

Mr. HARE. I think Mr. Crowell told me after it was out of the way.

Senator HARDWICK. After the first disapproval?

Mr. HARE. After the first disapproval.

Senator HARDWICK. Before the second?

Mr. HARE. I am not sure.

Senator HARDWICK. Have you the date of the Hornsby letter?

Mr. BENNET. Yes; October 26. That was after the second disapproval.

Col. Hornsby's letter of October 26, did that go to Mr. Cromwell?

Mr. HARE. I do not know.

Mr. BENNET. You heard him testify that it did not?

Mr. HARE. If he did say it, that is right. My only knowledge was that he told me such a letter had been sent.

Mr. BENNET. Is it your testimony that you never had any conversation with Col. Hornsby about the Speedway matter?

Mr. HARE. I do not recall ever having a conversation with Mr. Hornsby on the Speedway matter. I remember his coming to see me on one or two occasions. About what, I forget.

Mr. BENNET. Your recollection of what possibly Secretary Crowell told you, coupled with your recollection of the conversation of October with Gen. Noble, is the basis for this statement in your letter of November 27, that statement that members of the medical staff had disapproved?

Mr. HARE. You know that I did not make that statement. Mr. Crowell made that statement to Mr. Poppenhusen and Senator McCormick, and he told me that he made that statement, and he must have based it on this letter of Hornsby's sent in to the Secretary of War, and the fact that he was familiar with the fact that Gen. Noble preferred the Field Museum site to the Speedway.

Mr. BENNET. And that Secretary Crowell testified that until long after that he had not seen the Hornsby letter. Does that change your recollection?

Mr. HARE. Not in the least.

Mr. BENNET. At any rate, Crowell told you on the 27th of November that this statement was contained in this letter of Col. Hornsby?

Mr. HARE. I do not know whether it was that date that he told me or not.

Mr. BENNET. It was that day or the day before?

Mr. HARE. I do not recollect when he told me.

Mr. BENNET. It must have been on the 27th or the day before, or you could not have put it in that letter.

Mr. HARE. Certainly.

Mr. BENNET. That was the basis for that part of the letter?

Mr. HARE. Yes.

Mr. BENNET. Now, writing on the 27th, how did you come to give the reasons why the proposition of September 26 was disapproved when there had been a later disapproval on October 24?

Mr. HARE. How did I happen to write when?

Mr. BENNET. Write on November 27, stating why the Speedway proposition—

Mr. HARE. Referring to the Poppenhusen letter again?

Mr. BENNET. Yes. How did you come to refer exclusively to the rejection of September 26 and say nothing about the rejection of October 24?

Mr. HARE. I do not know how, except that Mr. Crowell intimated that he wanted a short letter written along those lines.

Mr. BENNET. You have no recollection why you entirely omitted any reference to the disapproval of October 24?

Mr. HARE. I do not think it was important, one way or the other, in answering the letter of Mr. Poppenhusen in regard to the statements that Mr. Crowell was supposed to have made to him.

Mr. BENNET. Mr. Poppenhusen had made those statements on the day before, had he not, the 26th of November?

Mr. HARE. The day before the letter was written or the same day.

Mr. BENNET. The day before he wrote the letter. His letter states so. At any rate, it gives the facts. Now, can you conceive of any reason why a person asking on November 26 for the reason for the rejection of the Speedway proposition should refer to the action of September 26 instead of the action of October 24?

Mr. HARE. No; I can not conceive of any.

Mr. BENNET. And can you conceive of any reason why, when you wrote him on November 27 about the rejection of the Speedway proposition, you made no reference whatever to the reason for the rejection of October 24?

Mr. HARE. I wrote a letter as he, Secretary Crowell, wanted it written.

Mr. BENNET. Do you mean to say that Mr. Crowell directed you to confine the facts stated to the rejection of September 26?

Mr. HARE. He told me to mention the three points—the question that the bid had not been complete, the fact that certain of the Medical Corps had disapproved the site, and the question of price.

Mr. BENNET. And in reference to the bid of October 24, no one could say that the bid had been incomplete?

Mr. HARE. Possibly it was. But Mr. Crowell was talking about the first bid, and it was incomplete.

Mr. BENNET. And the fact is that Mr. Crowell in his conversation with Mr. Poppenhusen fell into error if he referred to the second bid?

Mr. HARE. He did not refer to the second bid, so he informs me.

Mr. BENNET. There was no reference made in that conversation to the second bid?

Mr. HARE. I was not there. I do not know.

Mr. BENNET. Mr. Crowell did make the statement here that he did not refer to the second bid.

Senator LENROOT. Did Mr. Crowell hand you Mr. Poppenhusen's letter for reply?

Mr. HARE. Just as I have said, with the full statement.

Senator LENROOT. Did he hand you the letter for reply?

Mr. HARE. He handed me the letter at the time he made the statement. He did not hand it for reply. He explained the conversation that he had had.

Senator LENROOT. Well, was his instruction to you to make a reply to this letter under his instruction?

Mr. HARE. It was to make a reply on those three points in that letter.

Senator LENROOT. In making this reply did you have before you this letter?

Mr. HARE. I had before me the letter.

Senator LENROOT. And on the first point, the letter was clearly limited to the proposal of October 12?

Mr. HARE. Yes; the letter so states, but Mr. Crowell was referring in his conversation to the first proposal.

Senator HARDWICK. That was wholly unresponsive.

Senator LENROOT. Were you really replying to this letter?

Mr. HARE. I was replying to it as Mr. Crowell asked me to reply.

Senator LENROOT. Did Mr. Crowell ask you to write a letter that would not be a reply to this letter that was handed to you?

Mr. HARE. Mr. Crowell said, "I had this conversation with this gentleman, and I asked about the first proposition, and my recollection is that the first proposition was not complete." And I said, "Your recollection was correct. It was not complete." Then he said, "Please say so."

Senator LENROOT. This letter was written to Secretary Crowell, calling his attention to what the writer deemed inaccurate statements on Secretary Crowell's part. That is there, is it not?

Mr. HARE. Yes, sir.

Senator LENROOT. And presumably Mr. Crowell's purpose was to clear up the charge of inaccuracy?

Mr. HARE. Yes.

Senator LENROOT. And it appears upon the face of the letter to the secretary that it was the second proposal?

Mr. HARE. I think that the letter might have been clearer. I might have said, "You are referring to the second proposal, but the conversation was about the first proposal." That was the inference, the first proposal.

Mr. BENNET. But the letter itself refers right in the beginning—

Mr. HARE (interposing). To the second proposal.

Mr. BENNET. Yes; and in your answer you say nothing about the second proposal.

Mr. HARE. In my answer I referred to the fact that Mr. Crowell in his conversation was referring to the first proposal.

Mr. BENNET. You do not refer to it in that way in the letter.

Mr. HARE. As a second proposal; no.

Mr. BENNET. But you gave facts that anybody that knows anything about the matter knows has reference only to the first proposition?

Mr. HARE. That had been discussed, the first proposal.

Mr. BENNET. This letter, as the Senator has pointed out to you, contains a copy of their proposal dated October 12, 1918. That is the second proposition?

Mr. HARE. Yes.

Mr. BENNET. And was that not the proposition that was discussed by Mr. Crowell? That was the proposition in the letter, and in your answer you did not say a word about the second proposition, did you?

Mr. HARE. No.

Senator HARDWICK. You merely say in your letter that it was in response to a conversation which concerned or related to the first proposal?

Mr. HARE. Yes.

Mr. BENNET. And these three reasons which were reiterated by you did not undertake to answer Mr. Poppenhusen's suggestions—for none of those reasons applied to the second proposal?

Mr. HARE. I did not try to go into it, because I thought we could do it in a conversation at any time.

Mr. BENNET. Are you able to give any reason why, in your answer, you did not refer to the second proposition?

Mr. HARE. None whatever; no.

Mr. BENNET. Have you tried in your summary to the committee to report all the facts in relation to the situation as it was on September 26, in connection with the first proposal? I want to be fair with you.

Mr. HARE. Let me see.

Mr. BENNET. I will bring your attention to one of them. That is a better way. Did you know that the Construction Division had applied to the Surgeon General's Office to have this hospital listed as a general hospital, and that the Adjutant General's Office had listed it as General Hospital No. 32?

Mr. HARE. What hospital?

Mr. BENNET. The Speedway.

Mr. HARE. No; I did not.

Mr. BENNET. You did not know until just now?

Mr. HARE. No.

Mr. BENNET. Are you familiar with the voluminous correspondence with Richard E. Schmidt, Garden & Martin prior to the 26th of September?

Mr. HARE. No.

Mr. BENNET. And you were not familiar with it at that time?

Mr. HARE. September 26?

Mr. BENNET. Before the 25th.

Mr. HARE. I certainly was not familiar with it before the 18th.

Mr. BENNET. You had this proposition in your office only eight days?

Mr. HARE. That is all.

Mr. BENNET. During that time was this correspondence that the Construction Division had with Richard E. Schmidt, Garden & Martin brought to your attention?

Mr. HARE. I do not remember whether it was or not.

Mr. BENNET. There are quite a number of letters in evidence and in the Statesbury report. Do you or do you not recall them?

Mr. HARE. I do not recall them.

Mr. BENNET. They are deemed to be material, relevant, and important—the information contained in them you did not have until this morning?

Mr. HARE. I would not be prepared to say that until I saw the letters and refreshed my memory. I felt that I had quite sufficient facts to reach a conclusion on.

Senator HARDWICK. And did you have these particular facts that counsel refers to?

Mr. HARE. I do not know, sir; unless I was shown the letters.

Senator HARDWICK. Do you recall whether you had any letters from Col. Wright of the Construction Division?

Mr. HARE. I had plenty of conferences with Col. Wright before we came to a conclusion on the matter, and about these letters for all I know.

Senator HARDWICK. His files were not sent to your office?

Mr. HARE. I had the entire files that came down from Operations. But whether those letters were contained in that original file, and they were before me, I do not recall.

Mr. BENNET. If they were in that file, you had them before you. did you not?

Mr. HARE. I should think so.

Mr. BENNET. At any rate, you have no present recollection of those letters?

Mr. HARE. No; but if you would tell me what they contain——

Mr. BENNET (interposing). You might have. But at the present moment it does not carry any weight in your mind in connection with your testimony?

Mr. HARE. No.

Mr. BENNET. Now, you have laid a great deal of stress upon what you call the reasons for approving the Fort Sheridan proposition, one of which was the lower cost per bed, and the other was the fact that materials would not be used; that you had been advised that use of materials should be conserved. Is that correct?

Mr. HARE. I have read that into the record.

Mr. BENNET. Do you know whether as a matter of fact that the evidence in this case is that instead of \$757 a bed the cost for the new construction at Fort Sheridan was \$1,000 a bed?

Mr. HARE. No; I am not aware of that.



Mr. BENNET. Of course you heard Secretary Crowell?

Mr. HARE. You did not put that question exactly in the right way. Taking the combined construction, the new and the old construction, it was \$700 a bed.

Mr. BENNET. But taking the new construction alone that you had to add to what was on the ground, the cost per bed, as stated by Col. Wright, was \$1,000.

Mr. HARE. I did not know that at the time. I have heard that since.

Mr. BENNET. You know it now?

Mr. HARE. Yes.

Mr. BENNET. You also know the additional fact that that is a contract on a cost-plus basis, and Secretary Crowell was very probably correct when he said that there was no way of estimating the cost until the proposition was finally completed accurately?

Mr. HARE. I do not remember that he said that, but I should say that that was reasonably true, as a matter of fact. These propositions came time after time very close to the estimate made by the construction division, and if Col. Wright told me that a proposition was going to cost \$1,000 a bed, I should say that it was correct.

Senator FRANCE. I would suggest that this question of cost per bed is perfectly clear in the record, and the counsel wants to bring out the fact that Mr. Hare did or did not know the facts. Anything else is not material, because the facts are very clear.

Senator LENROOT. Just this one question: Did you know, Mr. Hare, at the time you approved the Fort Sheridan project, that the new construction could not be completed for \$700 per bed?

Mr. HARE. The new construction?

Senator LENROOT. Yes.

Mr. HARE. No; I did not. I considered the entire proposition as a complete project. I did not go into the various items of cost. I was dealing entirely with the question whether the Government should spend \$3,400,000 to make available something that it had or whether it would purchase property.

Senator LENROOT. Let me understand you. Supposing you could have gotten 2,500 beds at Fort Sheridan with the buildings that you then had for \$100 a bed, do you mean to say that you would not take into consideration the cost of new construction when you were figuring upon 5,000 beds?

Mr. HARE. I would take into consideration the entire question as it was presented to me, so as to know what the completed project was going to amount to.

Senator LENROOT. But from the standpoint of economy for the Government, if you could use the best buildings that you had, say, at a cost of \$100 per bed, and could have gotten new construction somewhere else for less than new construction at Fort Sheridan, you would not have given that consideration?

Mr. HARE. I would have given anything of that sort consideration.

Senator LENROOT. Was not that one of the problems involved?

Mr. HARE. No; that was not involved.

Senator LENROOT. It seems to me that it was involved—the problem of new construction at Fort Sheridan.

Mr. HARE. You remember before Fort Sheridan could be made available certain construction had to be done. They were going to

r certain buildings and add to them. But new construction was necessary, and we did not enter into consideration—we considered project as an entirety. We did not go into the items of cost as compared with the Speedway. I took it for granted, when I saw the papers before me calling for the expenditure of \$3,400,000 for the Fort Sheridan project, I had a perfect right to rely upon their judgment, and, so far as that particular project was concerned, it was it for me to decide merely whether we were to spend that \$3,400,000 there or on some other proposition somewhere else. That was the way I looked at it.

Mr. BENNET. Did you take into consideration the fact that the number for this Fort Sheridan proposition had been brought 2,500 cases?

Mr. HARE. I did not know it.

Mr. BENNET. This is the first time you have known it?

Mr. HARE. Yes, the first time.

Mr. BENNET. You saw this memorandum of Col. Wright's of September 9, did you not, in which he recommended the Speedway proposition. Do not read the whole thing in order to answer the question.

Mr. HARE. I may have seen it if it was attached to the original proposition.

Mr. BENNET. It was attached, this memorandum of Col. Wright's attached to the original proposition.

Mr. HARE. That was the first proposition?

Mr. BENNET. Yes.

Mr. HARE. Yes.

Mr. BENNET. Then you did see it?

Mr. HARE. I probably did.

Mr. BENNET. And you have called attention to the fact that about the time the War Industries Board, I think it was, or somebody, at least, had warned you in relation to conserving materials?

Mr. HARE. I have just read that into the record that there were instructions that they were to use temporary buildings and temporary construction rather than new construction.

Mr. BENNET. And to conserve material generally?

Mr. HARE. Yes.

Mr. BENNET. Now the material that was proposed to put into the Field Museum, on that there was to be no salvage whatever for the Government, was there?

Mr. HARE. Well, I should say there was. We are making salvage the time of all kinds of material.

Mr. BENNET. Do you not know that under the terms of the contract and plans, the construction that went into the Field Museum in an effort to build a permanent structure, and that after the building there was no salvage?

Mr. ADCOCK. I think that is an unfair assumption. There is no mention of that in this record.

Witness FRANCE. He merely asked the question. You were stating that as a question?

Mr. BENNET. I am asking if he knows.

Witness HARDWICK. That is all. If the witness knows he can tes-

Mr. HARE. You know we are getting salvage from everything of that sort.

Mr. BENNET. Are you talking about the Field Museum? You have never done any particular work at the Field Museum.

Mr. HARE. It is a project by itself.

Mr. BENNET. I am speaking of it by itself. Do you know whether there is any salvage there?

Mr. HARE. There were to be erected some additional quarters, and that would have been salvaged. The Field Museum is going to be finished by the owners, and is to be returned to them. Changes made in the partitions, and all that sort of thing, are to be salvaged.

Mr. BENNET. There is practically none, is there?

Mr. HARE. I do not know. It would depend on the market at that time for that kind of material.

Mr. BENNET. Now, in this memorandum on the Speedway, was not one of the reasons given for approving the Speedway proposition that old material could be used and thus materials conserved?

Mr. HARE. I do not remember that; no.

Mr. BENNET. If I read it to you do you think it would refresh your recollection?

Mr. HARE. I would accept it as a fact if it were in Col. Wright's statement.

Mr. BENNET. So that if my statements are correct as to matters not within your knowledge, Fort Sheridan was at an uncertain cost, because it was on a cost plus basis; the new construction would cost \$1,000 a bed; the major proportion of the lumber would be bought and would be brought 2,500 miles from Seattle and the Pacific coast; while the Speedway proposition was specifically recommended by the Quartermaster's Department because of the old material on the ground, and the fact that everybody had been instructed to do all they could to save material?

Mr. HARE. You are stating certain facts which I do not agree with. In the first place, you say that the cost of the Fort Sheridan proposition was an indeterminate cost. It might cost \$100, or not so much possibly. We had a long experience under the work of the construction division and saw that their estimates were usually accurate. Where they told me something was to cost \$700 a bed, I knew I had a perfect right to rely upon the care with which they went into these estimates, so that when they said \$700 a bed it would be close to that.

Mr. BENNET. So that you disagree with Mr. Crowell in all respects that where there is a cost plus contract it is impossible to tell the cost until the contract is completed?

Mr. HARE. That is true.

Mr. BENNET. He must be correct about that?

Mr. HARE. You can not tell within the last cent. You can not tell whether it is going to be \$70 or \$71.

Mr. BENNET. And when I base my statement that the cost at Fort Sheridan was \$1,000 on Col. Wright's testimony, you have no doubt that that is so?

Mr. HARE. I do not know. The thing that I am interested in is what the big operation, what the whole thing, is going to cost. I want to know, if I alter my house, what the total bill is going to be.

Mr. BENNET. But, it would have been perfectly feasible to have completed that portion of the work within the brick walls at Fort

heridan, and to have completed this Speedway Park proposition so?

Mr. HARE. That I do not know.

Mr. BENNET. It was feasible; it could be done?

Mr. HARE. Anything could be done by the American people.

Mr. BENNET. Certainly. And now in relation to Mr. Erskine. How many times did you see him between the 18th and the 26th of September?

Mr. HARE. A good many times. Just how many I do not recollect.

Mr. BENNET. And your relations with him toward the last became rather strained?

Mr. HARE. They did; but it did not have any effect on me in the last, in the end. I was a very busy man, or thought I was, at that time, working about 18 hours a day and trying to give the best attention I could to a thousand and one things that were coming before me, and for the first time in my connection with the War Department had a lot of gentlemen, all well meaning, on every side, coming in and asking me this question and that question, and I do not doubt that it irritated me, and I was bound to show that irritation occasionally; but, as far as it having any final effect on this project, it did not. I had to exercise the best judgment that I was capable of, and would have been a rubber stamp if I had not. You gentlemen can disagree with that judgment. I have nothing to say about that.

Mr. BENNET. Among the things which Mr. Erskine brought to our attention, was the fact that he had investigated the possibilities of the labor market in Chicago—was that one of the matters stated to you?

Mr. HARE. I do not remember that. He brought in a great many things that unfortunately left a very disagreeable impression upon my mind. I remember distinctly his saying that he had taken the matter up with the Secretary of War, and he was very much interested in it.

Mr. BENNET. Do you mind for a few moments confining your attention to the questions?

Mr. HARE. Certainly.

Mr. BENNET. Did Mr. Erskine bring to your attention the fact that the brick and the crushed stone and everything of that sort that was to go into the buildings were located within half a mile?

Mr. HARE. I think he did; yes; and he brought to my attention the fact that they had a grandstand there and a good deal of material that they could use in the construction of the Speedway project.

Mr. BENNET. Did that irritate you in any way?

Mr. HARE. No; not in the least.

Mr. BENNET. And that instruction had gone out to use old materials wherever possible, to save freightage wherever possible, and that all these things could be accomplished in a very large degree?

Mr. HARE. An order had gone out to use temporary construction.

Mr. BENNET. This was temporary construction, was it not?

Mr. HARE. It was not so represented to me. It was to be a fire-proof, permanent proposition.

Mr. BENNET. With the condition that accompanied it, that within five years the man who built it would take it back and pay 40 per cent of the cost.

Mr. HARE. That was not the first proposition. The first proposition was to buy the land and put up a permanent building. The Government was to have a permanent proposition.

Mr. BENNET. That was the proposition of October 12.

Mr. HARE. And the other one was to give us a chance to get back \$1,000,000 and hand back our investment of over \$2,000,000.

Mr. BENNET. And that was temporary construction, was it not?

Mr. HARE. It was not, it was permanent construction; and the Speedway project was always considered as such.

Mr. BENNET. What is your definition of permanent?

Mr. HARE. Well, I should think it would be rather hard to distinguish between permanent and temporary construction. The difference would be, I should say, in the life of the buildings. We figured the life of the buildings at Fort Sheridan at from 10 to 12 years, and we figured that on the Speedway the building would be permanent.

Mr. BENNET. What do you call the munitions building, where you are?

Mr. HARE. I think that it is pretty well built, I do not know.

Mr. BENNET. Well built. Do you call that temporary or permanent?

Mr. HARE. I think they consider that as a permanent thing.

Mr. BENNET. You are aware, are you not, that that was built out of the same appropriation that it was proposed to build this Speedway hospital out of?

Mr. HARE. I am not aware of that at all.

Mr. BENNET. And that if one is permanent the other is permanent, and if one was temporary the other was?

Mr. HARE. I do not see how that has anything to do with it.

Mr. BENNET. You said a moment ago that the question whether it was permanent or temporary has reference—

Mr. HARE (interposing). You are trying to get me to say whether it came out of the same appropriation.

Mr. BENNET. I am trying to get your definition of "temporary" and "permanent."

Mr. HARE. I said it was a question of the life of the building. My idea of the Speedway Park building was that it would be there as a splendid memorial, something that Mr. Hines was interested in from a memorial point of view.

Mr. BENNET. The memorial point of view could never enter into it unless Mr. Hines was permitted to repurchase it and pay you 40 per cent of the cost.

Mr. HARE. Mr. Erskine, if you remember, stated that Mr. Hines, on account of a very unfortunate affliction, for which I told Mr. Hines I was exceedingly sorry, wanted to create a memorial, and that influenced his offer to put up a superior hospital of 2,500 beds.

Senator FRANCE. I fail to see how one new fact is being brought out by this line of testimony. We want to give you ample opportunity, but we have certainly covered all the facts of these contracts and the cost if Mr. Hines repurchased. It is in the testimony.

Mr. BENNET. I am not sure but what it is.

Senator FRANCE. Let us not cover this same ground twice.

Senator HARDWICK. It will not be completed until the fourth of March unless we stop.

Mr. BENNET. I will admit that the examinations of the Senators this morning were extremely complete, and I do not want to seem to trespass on their ground.

Senator FRANCE. The only fact which could be brought out is as to the amount of information which Mr. Hare did have or did not have with reference to the projects.

Mr. BENNET. I think so.

Senator FRANCE. It seems to me that that has been very clearly covered.

Mr. BENNET. I will take one other branch. He has made some reference to Mr. Newman and Mr. Erskine. You said this morning that Mr. Newman came to see you repeatedly?

Mr. HARE. I do not know that I stated that. He came to see me, I think, two or three times.

Mr. BENNET. The fact is that voluntarily he never came to see you but once?

Mr. HARE. That I do not know.

Mr. BENNET. On October 1.

Mr. HARE. Mr. Newman offered in evidence—I want to answer your question in this way, with the permission of the committee.

Mr. BENNET. That can be answered; yes or no.

Mr. HARE. I can not answer it yes or no, whether it was October 1 or some other date.

Mr. BENNET. Omitting the date, Mr. Newman came to see you voluntarily?

Mr. HARE. I do not know whether it was voluntarily.

Mr. BENNET. Once when you did not send for him?

Mr. HARE. I think he came more than once. He came once when I sent for him, as he had made a misstatement of fact, and I had Maj. O'Brien come in and we saw Mr. Newman.

Senator FRANCE. It is not material. Mr. Chairman, I feel that there is a great mass of that.

Senator HARDWICK. We want to be as broad as we can in allowing this thing to go on, but I am anxious to rifle this thing down.

Senator LENROOT. Was this something that Mr. Hare has proved?

Mr. BENNET. Mr. Hare brought out this morning that Mr. Newman, Mr. Shank, and Mr. Erskine were so persistent with the proposition, and that was one of the things that struck him as extraordinary.

Senator HARDWICK. I think he has already been over that.

Mr. HARE. I brought it out first that Mr. Erskine was pressing it.

Senator HARDWICK. He testified that Mr. Erskine came to see him very often, but that he referred him to the chief of the construction division and the Surgeon General's office, and asked him if he thought there was anything wrong about that, and he said no. He objected principally upon Mr. Erskine's pernicious attitude, if I can use that term.

Mr. HARE. I did not use the expression "pernicious attitude."

Mr. BENNET. So that on reflection, you are willing to eliminate Mr. Hines and Mr. Shank and Mr. Newman, so far as persistency is concerned?

Mr. HARE. Mr. Hines certainly is eliminated. Mr. Hines was never persistent. We had a short businesslike interview.

Mr. BENNET. He was very courteous?

Mr. HARE. I hope I was. I know he was.

Mr. BENNET. I said that he was.

Mr. HARE. Oh, yes. Mr. Newman testified, and it was printed and some friend sent it to me, that I was very imperious, and he said that I had made a direct misstatement of facts. There is no use going into it. It is here in the record, but he did make a very serious statement of fact, and anybody that could pass judgment on the paper which Mr. Newman prepared for Mr. Shank's signature would come to the conclusion that they were misstatements.

Senator HARDWICK. Will you point out the misstatements?

Senator FRANCE. We have already covered this matter.

Senator HARDWICK. We have not had this side of that which Mr. Newman testified about.

Mr. HARE. I hope that it might be agreeable to the committee to have Mr. Dorr testify, because he went into this with great care.

Senator HARDWICK. Did not you hear him?

Mr. HARE. Yes; I was present.

Senator HARDWICK. Then you can tell what you know.

Mr. HARE (reading):

In view of the action of the War Department, stopping the work on September 26, 1918, I had some doubt as to whether Mr. Hare, who is Mr. Crowell's assistant, had been informed as to the general situation. I have, however, been reliably informed that the draft of the contract which I signed, and one paragraph of which I quoted above, was submitted to Mr. Hare and gone over by him very critically with Maj. A. A. O'Brien about four weeks ago, and the whole contract was approved by Mr. Hare, so that Mr. Hare knew all about the matter and has known all about the matter for a month or more, and must have known that I had begun the work under Col. Wright's orders.

Mr. Newman corrected it the following day and retracted it in the cross-examination by Mr. Dorr in the following language:

Senator HARDWICK. Were you present?

Mr. HARE. I was present at the time [reading]:

Mr. Newman stated that the statements made were, of course, a mere inference that Mr. Hare must have known all about the matter for a month or more and must have known that the work had been started under Col. Wright's orders.

Maj. O'Brien stated that, "However, Mr. Newman reached the impression that I had a conference with Mr. Hare a month previous I am unable to make up my mind. The fact is that I did not see Mr. Hare until a day or two previous to the conversation with Mr. Newman."

Mr. Newman stated, "I may be entirely wrong. How I got the impression I do not know."

Senator HARDWICK. In other words, Mr. Newman contended that he was convinced that Maj. O'Brien had consulted you about this contract, and that you were fully advised about what had been done?

Mr. HARE. For weeks before.

Senator HARDWICK. And Maj. O'Brien contradicted that, and Mr. Newman then said that that was an inference from what Maj. O'Brien had said to him on that point?

Mr. HARE. Mr. Newman absolutely backed water on that.

Senator FRANCE. Do you mean to say that Mr. Newman made an error in his statement or that he has told a falsehood?

Mr. HARE. I say that Mr. Newman absolutely told a falsehood when he wrote that in.

Mr. BENNET. Let me analyze that.

Mr. HARE (reading):

a view of the action of the War Department, stopping the work on September 26, 1918, I had some doubt as to whether Mr. Hare, who is Mr. Crowell's assistant, had been informed as to the general situation. I have, however, been reliably informed that the draft of the contract which I signed, and one paragraph of which I quoted above, was submitted to Mr. Hare and gone over with him very critically with Maj. A. A. O'Brien about four weeks ago, and the contract was approved by Mr. Hare, so that Mr. Hare knew all about the matter and has known all about the matter for a month or more, and must have known that I had begun the work under Col. Wright's orders.

Senator HARDWICK. Let us see about that. It is a curious proposition that Mr. Newman should have been wrong in a thing about that.

Mr. HARE. I have just read you under cross-examination what he said.

Senator HARDWICK. Did you read all he said?

Mr. HARE. I have read—

Mr. NEWMAN (interposing). He has not read by far, Mr. Chairman. The only mistake that was made was that I stated that he had acknowledged—that the interview between this gentleman, the witness, and Maj. O'Brien had taken place four weeks ago.

Senator HARDWICK. In other words, a mistake in time?

Mr. NEWMAN. Time, that is all; and Maj. O'Brien sustained me in his presence that the interview had taken place between them, although two hours before that he had told Mr. Shank that he had never seen Maj. O'Brien in his life.

Senator HARDWICK. We will let you testify a little later.

Mr. NEWMAN. Let him read it all.

Senator HARDWICK. When Maj. O'Brien was in there and Mr. Newman, did not Maj. O'Brien tell you that he had had a former conversation, capable of that sort of construction?

Mr. BOUVIER. May we not put all of the examination in, and then it will not be subject to individual interpretation?

Mr. NEWMAN. These newspaper men will probably give this version, and it is only fair to me that the whole statement of that interview in the presence of Maj. O'Brien be read. It shows the malignancy of the witness. I beg the Chairman's pardon. I withdraw the remark.

Mr. HARE. I think that is a thoroughly uncalled for statement.

Senator HARDWICK. I insist that the parties pay proper respect. I do not want incrimination and recrimination. Just state the facts.

Mr. HARE. This is dated October 4.

(The document referred to, heretofore printed in the record, was read by the witness.)

Senator HARDWICK. What happened between you and Maj. O'Brien?

Mr. NEWMAN. May I ask the witness a question?

Senator HARDWICK. Yes.

Mr. NEWMAN. That report is woefully incomplete, if it is complete as the witness has read it. There was a preliminary conference, which Maj. O'Brien was present and the witness and Mr. Dorr. I want the witness to read what occurred at that conference.



Mr. HARE. I have the statement of Mr. O'Brien here [reading:]

On August 18 Col. Shelby—

Mr. NEWMAN. No; that is the statement made by Maj. O'Brien. I ask the chairman to ask the witness to read what occurred with the witness present, Maj. O'Brien and myself, and ask why it is suppressed from that report.

Mr. HARE. There is nothing suppressed, to my knowledge. Possibly if you will ask me any questions—I know what Mr. Newman means; it is that I made a statement that I had never seen Maj. O'Brien at all. I did make such a statement. When I read this article—I think Mr. Hines, his recollection may be of help—when I read this statement that I had been entirely familiar with this thing for four weeks prior to that, I said I never was familiar with it, and I am sure that I never had seen Maj. O'Brien. I said: "I will bring Mr. O'Brien up and have Mr. Newman cross-examined." Mr. O'Brien said that he had seen me two or three days before, and I said: "Yes; you saw me about the contract." The thing that I object to is this, that after this full explanation in the presence of all these gentlemen, Mr. Newman should go on the stand and say that this statement was absolutely untrue, and it was so reported.

Senator HARDWICK. He said he was uncertain about the length of time.

Mr. HARE. I have the clipping.

Senator HARDWICK. From what?

Mr. HARE. The Chicago Tribune.

Senator HARDWICK. You had better get the record.

Mr. HARE. That was my information.

Senator HARDWICK. I think you are in error.

Mr. HARE. I am naturally the last man in the world to try to keep anything from anybody in this room.

Mr. BENNET. Let me ask you a question, and ask if this is what occurred: On October 18 did Mr. Hare telephone Mr. Shank and ask him to come over to his office, and Shank—leaving the date out of the question for a moment—went over to see Mr. Hare and was asked by Mr. Hare whether he had prepared the so-called history of September 30, and he told Mr. Hare that it had been prepared by Mr. Jacob Newman, and Mr. Hare directed Mr. Shank to return to the New Willard Hotel and tell Mr. Newman not to leave the city until he. Mr. Hare, had notified him that he could, and that Mr. Newman was to come over and see Mr. Hare and explain certain statements in the history of September 30?

That is correct, is it?

Mr. NEWMAN. That is correct.

Mr. BENNET. September 30 is the date of the history from which you have read the statement that you have denounced?

Mr. HARE. Yes.

Mr. BENNET. And in the course of the conversation Mr. Dorr called Mr. Hare's attention to the following paragraph in the September 30, 1918, history?

Mr. HARE. I do not follow you, quite, there.

Mr. BENNET. At this first interview Mr. Door was not there; that is, the interview with Mr. Shank?

Mr. HARE. Well, Mr. Hines handed me this at the very first interview that we had.

Senator HARDWICK. Let me see if I can get this thing right. You objected particularly to the statement made by Mr. Newman in the so-called history of the Speedway project in which he said that you were familiar and had been for more than a month with this contract?

Mr. HARE. Exactly.

Senator HARDWICK. Which had been submitted to you by Maj. O'Brien and that you were fully apprised of its contents. That is true?

Mr. HARE. That is true.

Senator HARDWICK. That was the particular statement that you objected to, and that you sent for him to see him about?

Mr. HARE. Yes.

Senator HARDWICK. The statement itself said that he got the information from Maj. O'Brien?

Mr. HARE. No; it says:

I have, however, been reliably informed that the draft of the contract which I signed, and one paragraph of which I quoted above, was submitted to Mr. Hare and gone over by him very critically with Maj. A. O'Brien—

Senator HARDWICK. With Maj. O'Brien.

Mr. HARE. He did not get that from Maj. O'Brien, because Maj. O'Brien contradicts it.

Senator HARDWICK. And you sent for Maj. O'Brien and Mr. Newman.

Mr. HARE. And they came in.

Senator HARDWICK. They came in. Mr. Newman admits, and he told the committee the other day—I want to say that in justice to him—that he could not be accurate about the exact number of days you had known about it. That part of his statement he admitted he would not insist was absolutely correct, but he did insist and still insists, as I understand it, that with that single exception as to time, the statement was and is substantially accurate.

Mr. NEWMAN. Yes, sir.

Mr. HARE. That is what I object to, his statement that I had this information for four weeks.

Senator HARDWICK. He has modified that.

Mr. HARE. Then that is all right.

Senator HARDWICK. What did Maj. O'Brien say to you; did Maj. O'Brien admit—

Mr. HARE (interposing). He admitted that he had brought the contract over to me some two days before that.

Mr. NEWMAN. On the 18th.

Senator HARDWICK. Suppose you get Maj. O'Brien's statement and see exactly what he did say.

Mr. BENNET. That colloquy is omitted from anything that is typewritten. Have you not a typewritten copy of that?

Mr. NEWMAN. That was suppressed.

Mr. HARE. It was not suppressed. The best way is to call Maj. O'Brien. I thought I had a statement from Maj. O'Brien.

Senator LENROOT. I would like to ask this question: Did Maj. O'Brien in this conversation relieve Mr. Newman from any con-

fidence, and did he say that Mr. Newman might say that it was he, Maj. O'Brien, who had given him this information?

Mr. HARE. He did.

Senator HARDWICK. I remember that, too, now; and then did Maj. O'Brien tell what happened?

Mr. HARE. He said that instead of being four weeks it was two days.

Senator HARDWICK. Did he insist that he had said he had submitted the contract to you?

Mr. HARE. He did insist that he had submitted the contract to me, but not for my approval.

Senator HARDWICK. It had not come to you officially?

Mr. HARE. It had not come to me officially at all.

Senator HARDWICK. So that the statement of Mr. Newman that you had seen the contract and approved it was not untrue?

Mr. HARE. The statement, in so far as it referred to the fact that I had seen the contract two days before, was not untrue, but that I had seen it four weeks before the conversation, was untrue.

Senator HARDWICK. It was a question of time?

Mr. HARE. Time is the essence of the whole thing. If I had had any knowledge four weeks before, that would have changed the whole aspect of the thing from my point of view. That is the reason it exercised me so that a man should furnish a statement of that kind.

Senator HARDWICK. Let me see if I get it. Your complaint now is that——

Mr. HARE (interposing). I have no complaint.

Senator HARDWICK. Your statement now is that the real important part was that Mr. Newman did the wrong of saying that you had known about this for 30 days, whereas it was but 2 days?

Mr. HARE. Yes.

Senator LENROOT. What was the date of this conversation that you had with Mr. Newman?

Mr. HARE. I can give it to you from my statement of October 4.

Senator HARDWICK. What is the date of Mr. Newman's report?

Mr. BENNET. September 30.

Senator HARDWICK. What date did Maj. O'Brien say? I think it was testified the 18th of September.

Mr. HARE. No; it must have been after the 18th.

Senator HARDWICK. I think it is in the evidence that it was the 18th. That would be 12 days instead of 30 days.

Mr. HARE. I did not say that.

Senator HARDWICK. He did not issue his statement until the 30th of September, and if he saw you on the 18th it would be 12 days before.

Mr. HARE. The statement of Mr. Newman's is not dated.

Mr. BENNET. September 30.

Mr. NEWMAN. Maj. O'Brien stated at that interview, at which Mr. Hare was present, that in that interview with Mr. Hare they went over this contract paragraph by paragraph. That was on the 18th of September, and no two days about it.

Mr. HARE. Now, there is another statement in that same paragraph.

Senator LENROOT. Let me ask you a question: You say now it was two days before?

Mr. HARE. I say it was two days before, that was my recollection of Mr. O'Brien's statement.

Senator LENROOT. The interview with Mr. Newman was September 30?

Mr. BENNET. October 4.

Mr. HARE. The first interview with Mr. Newman.

Mr. BENNET. October 1.

Mr. HARE. I want to be accurate in this [reading]:

Maj. O'Brien stated that "how ever Mr. Newman reached the impression that I had a conference with Mr. Hare a month previous I am unable to make up my mind. The fact is that I did not see Mr. Hare until a day or two previous to the conversation with Mr. Newman."

What date was that?

Mr. NEWMAN. That was when I returned to the hotel, and reduced to writing my conference with Maj. O'Brien.

Senator LENROOT. You say it was two days before the statement?

Senator HARDWICK. There is no necessary conflict. The only thing you are fussing about is that one said 30 days and the other two weeks.

Mr. HARE. I am fussing about this also:

I have, however, been reliably informed that the draft of the contract which I signed, and one paragraph of which I quote above, was submitted to Mr. Hare and gone over by him very critically with Maj. A. O'Brien about four weeks ago, and the whole contract was approved by Mr. Hare, so that Mr. Hare knew all about the matter and has known all about the matter for a month or more—

Senator HARDWICK. For 12 days or more.

Mr. HARE (continuing):

and must have known that I had begun the work under Col. Wright's orders.

That is the important part, that I must have known that he had begun the work under Col. Wright's orders.

Mr. NEWMAN. If he did not know what was going on in his own department it was not my fault.

Mr. BENNET. As a matter of fact, Maj. O'Brien had brought up this proposed contract to your attention prior to September 26?

Mr. HARE. Yes; he had.

Mr. BENNET. And you had familiarized yourself with it prior to September 26?

Senator HARDWICK. You made this decision on the 26th and you say the contract had been in your office 8 days. Take 8 from 26 and that would leave 18. That would dovetail in with what you said. It probably is the only serious error, leaving out the question of inference, the matter of fact was that it was two weeks instead of four weeks. Is that the way of it?

Mr. NEWMAN. And the subsequent history has been corrected?

Mr. HARE. Do you want me to go on and draw attention to the other misstatements? This was prepared for Mr. Shank's signature [reading]:

All of the departments in Washington I understand, and, without question, the Construction Department, knew that I was engaged in the business of carrying on this work, destroying the steel grandstand structure to which I have above referred, laying foundations for this immense building 2,000 feet long, building in the walls, and purchasing vast quantities of materials amounting to several hundred thousand dollars, for all of which I am obligated.

The secretary of my company, Mr. Foster, informed me by telephone late in the afternoon of September 23, 1918, that he had received orders from the Government architects—

There were no Government architects—  
that we had better quit work—that a “stop” order—

All this was written after they had received a telegram signed by Col. Gunby for Gen. Marshall.

Senator HARDWICK. Do you know how many thousand dollars they had spent at that time?

Mr. HARE. I do not.

Senator HARDWICK. Did Mr. Shank make any statement in writing?

Mr. HARE. This is the statement that Mr. Newman prepared. I am reading from the record.

Senator HARDWICK. What I have in mind is this, that these people I suppose thought that the Government knew that they were building this hospital?

Mr. BENNET. So that when you boil down this statement, the only difference is as to the time.

Mr. HARE. The difference is as to the time and the fact that I must have known about the matter long before I did.

Senator HARDWICK. That is an inference.

Mr. BENNET. Would it not have been complimentary. You had the decision. Why was it not highly complimentary to assume that you knew all about it before you decided?

Mr. HARE. How could I know about it until it came to my attention? It never came to my attention until long after the time of this statement.

Senator HARDWICK. It came to your attention on the 18th. That part is incorrect. Between the 26th and the 18th the contract was brought to your attention?

Mr. HARE. Yes.

Mr. BENNET. It is very easy for men to fall into error, is it not?

Mr. HARE. We are all human. We are all liable to make mistakes.

Mr. BENNET. For instance, in that very interview you stated that you had never seen Maj. O'Brien in your life.

Mr. HARE. That was a mistake.

Mr. BENNET. And you made it?

Mr. HARE. Yes. I am perfectly willing to acknowledge my mistakes.

Mr. BENNET. In a way, possibly, that was a larger mistake than the other.

Mr. HARE. That I do not agree to at all.

Senator HARDWICK. It does not make much difference about that!

Mr. BENNET. No. By reason of that interview that you had with Mr. Newman in which there was a harmless error of a couple of days—

Mr. HARE. I object to the introduction of the word “harmless.”

Mr. BENNET. All right. I will withdraw it.

Mr. HARE. I would like to say that it is very difficult to be one's own attorney.

Mr. BENNET. You have two attorneys.

**Mr. BOUVIER.** But this attorney has not been allowed to say a word. Repression is a virtue, and I have been trying to practice it. I think the witness has taken pretty good care of himself.

**Senator HARDWICK.** I do not think he needs a lawyer.

**Mr. BENNET.** You asked Mr. Hines at this time not to send counsel any more.

**Mr. HARE.** I remember that I told Mr. Hines that I preferred to deal with him and Mr. Shank, and that I did not want to see Mr. Erskine and Mr. Newman again.

**Mr. BENNET.** Did you have anything against either?

**Mr. HARE.** No; I wanted to deal with the principals.

**Mr. BENNET.** So that the reason that you urged him to ask Mr. Erskine and Mr. Newman not to come any more was that you wanted to deal with the principals?

**Mr. HARE.** I wanted to do business with the men who could say yes or no to a proposition.

**Mr. BENNET.** You have said that Mr. Hines was always courteous?

**Mr. HARE.** Always.

**Mr. BENNET.** And brief, businesslike, and accurate?

**Mr. HARE.** Absolutely brief and businesslike.

**Mr. BENNET.** And at the interview about the 4th or 5th of October you told him that you would call up Col. Wright on the telephone and give him an opportunity to submit a new proposition?

**Mr. HARE.** I did that, and either he or some of his representatives went over to Col. Wright's office and discussed a proposition and submitted figures.

**Mr. BENNET.** You asked Col. Wright over the telephone to submit plans for the \$910,000 additional work?

**Mr. HARE.** Yes; and I believe they discussed that phase of it together.

**Mr. BENNET.** And you told Mr. Hines that after he had gone and submitted his new proposition that you would have another conference on the matter?

**Mr. HARE.** After he submitted his new proposal?

**Mr. BENNET.** Yes.

**Mr. HARE.** I may have said that. If Mr. Hines's recollection is perfectly clear I am willing to take it as a fact.

**Mr. HINES.** I would like to repeat exactly what was said. You asked me to stay in Washington, and Mr. Shank, and have the balance of the buildings figured as soon as possible, when our final figures were complete. In the meantime we were not to see anybody else in Washington except Col. Wright and Maj. O'Brien. We adhered to that religiously, and then we were to call at your office and sit around a table and try to adjust this matter and we would be given an opportunity to explain to you our situation. You never allowed us to do that.

**Mr. BENNET.** That is correct, is it not?

**Mr. HARE.** I did not know that I had gone so far as that. I remember distinctly asking Mr. Russell to ask Mr. Hines to remain in Washington until this matter was finally settled, and I may have said to Mr. Hines that I would send for him before I finally concluded the matter. The reason that I did not send for Mr. Hines was because we discussed the matter pro and con and we reached the conclusion,

Mr. Crowell and myself, on the facts as presented. Mr. Hines had submitted his papers, the proposition was before us; there seemed to be no further cause for further interviews. We had been discussing the matter pro and con for some time, and we had before us everything necessary to decide the question.

Mr. BENNET. So that after asking him to stay in Washington, about the 5th of October, he in fact stayed here—

Mr. HARE. I asked him to stay until it was concluded.

Mr. BENNET. Until the matter was concluded.

Mr. HARE. I do not remember whether I asked him to stay or not until it was concluded.

Mr. BENNET. On the 19th of October Mr. Hines saw you, did he not—you have read that into the record; you read into the record that part of the conversation that had to do with liberty bonds. Do you recollect that?

Mr. HARE. Yes; I remember distinctly.

Mr. BENNET. And do you not recall that at the same time Mr. Hines told you that he wished to return to Chicago, and that he had a matter of importance, and that you told him he must be back the next week?

Mr. HARE. I remember distinctly that I said he should go to Chicago, but I do not remember saying that he should return.

Mr. BENNET. And you told him it was in the hands of Secretary Crowell?

Mr. HARE. Yes.

Mr. BENNET. Do you not really think that having asked Mr. Hines to remain in Washington, and he having remained in Washington from the 1st of October until the 19th of October, and having gone to the trouble to go to you before returning to Chicago, that you owed him the courtesy of having the conference with him that you had promised?

Mr. BOUVIER. There is no question of courtesy in this.

Mr. HARE. It was simply a question of coming to some decision as early as we could. We had this other proposition before us. Mr. Hines had gone back to Chicago to settle some question of his own in Chicago; the papers were before us. We discussed it in the light of all the knowledge we had, and we could not see the slightest reason for discussing it further, and we came to a decision.

Mr. BENNET. Do you not think that he ought to have had the opportunity to lay before you the fact that this was a 4,000-bed project instead of a 2,500-bed project?

Mr. HARE. No; I do not think so. The contractors had prepared this proposition on a 2,500-bed basis. That was the time to have brought in the 4,000 beds.

Mr. BENNET. Let me ask you another thing. Do you not know that the 2,500-bed proposition was referred to only as a reconstruction scheme of the future, and that the floor space was measured in the same way as that at Fort Sheridan and other places was measured?

Mr. HARE. No; I knew nothing of the kind.

Mr. BENNET. Do you not think that Mr. Hines, having waited here so long, ought to have been given an opportunity to lay before you personally the same facts that you laid before the Secretary on October 26?

**Mr. HARE.** No; because his opportunity to lay those facts before me had been presented to him not only once, but several times, and if he had wanted to say 4,000 beds he ought to have said it to us at the time.

**Mr. BENNET.** Did you not give him to understand that you would hear him before you reached a final decision on the matter?

**Mr. HARE.** I do not recall that. I may have told Mr. Hines—I remember his coming in in connection with the liberty-bonds proposition. He said, "Can we not come to some conclusion on this matter to-day, because if we can come to some conclusion I will subscribe so much to the liberty-bond campaign." I said, "Mr. Hines, the matter has not been decided, and any subscription you make must be entirely in your own judgment." He said, "I am going to Chicago," and I may have said—

**Mr. BENNET.** The fact was, was it not, that on the 14th of October preceding, Secretary Crowell, presumably with your knowledge, had wired to Chicago to close the lease for the Field Museum?

**Mr. HARE.** Secretary Crowell did not so swear.

**Mr. BENNET** (continuing). To Gen. Jervey, the Chief of Operations?

**Mr. HARE.** I will read you that. That has not been offered in evidence. On October 25 Mr. Crowell took hold of this matter himself [reading]:

OCTOBER 25, 1918.

Memorandum for Gen. Jervey.

The following memorandum is a final settlement of the matter providing hospitals in the city of Chicago.

The following projects have been submitted and carefully considered:

1. Fort Sheridan, 5,000 beds, at an estimated cost of \$700 per bed. This project has been approved by me.

2. Field Museum, 4,000 beds, at an estimated cost of \$437.50 per bed. Under instructions, this contract has been signed and the project is now finally approved by me.

3. The Cooper Monotah Hotel has been accepted with 600 beds, at a rental of \$52,000 per annum, or a cost per bed of \$86.66, and is hereby approved.

This gives us a total of 9,600 beds in Chicago, which is more than sufficient for our needs.

The Speedway project as first submitted involved an estimated cost per bed of \$1,364, but a revised preposition places the cost per bed at \$1,304. The repurchase clause brings the cost per bed down to \$782.90. This Speedway Park project is hereby definitely and finally disapproved.

B. CROWELL.

*The Assistant Secretary of War.*

**Senator FRANCE.** Now, you are getting away from the questions which I wish to have settled. Mr. Hines stated that he had been given an impression by you that no decision would be reached until you had heard him again.

**Mr. HARE.** That impression was wrong, to the best of my recollection.

**Mr. HINES.** May I be allowed to say just a word?

**Senator HARDWICK.** Yes.

**Mr. HINES.** I have not merely a request made verbally, but a written request. I am very careful to keep written memoranda. I directly proceeded from Mr. Hare's office with Mr. Shank to Col. Wright's office. Mr. Hare said that I should not see anyone in Washington until the final figures were put in, and we had a con-



ference, except himself, Col. Wright, and Maj. O'Brien, which I religiously observed. He said, "When your final figures are in, I want you, Col. Wright, and Maj. O'Brien, and Mr. Shank to meet in my office—Mr. Hare's office—and we will try to arrange this matter satisfactorily, and then you will be given full opportunity to go into this matter in detail." There can be no misunderstanding about that, because there were several present. I kept my part religiously. We worked until 1 or 2 o'clock every morning preparing these final figures, brought men from Chicago by wire to assist us, worked all day Sunday, and we had our figures ready at the earliest moment possible.

In the final figure I put in this request: "Owing to the haste with which these figures are prepared, in our desire to make a low figure, if there is any question about the case we will do the work at actual cost, irrespective of any profit in any way, shape, or manner." That is the additional profit of seven hundred and some odd thousand dollars. The same clause was shown him.

The time went on. I think it was about three weeks that I was here doing nothing else. Being obliged to go back to Chicago, I asked Mr. Hare if I could do so with safety. I said I would return the following Wednesday. That was Saturday. He said that the papers were then in the hands of the General Staff, and would probably be in the hands of the Secretary by Wednesday. If I was back in Washington Wednesday it would be sufficient.

I returned Wednesday morning, and immediately reported to his office. He said then that the papers were in the hands of the Assistant Secretary, Crowell, and he hoped to have them next day. I said, "I will be right here in Washington subject to your telephone call to my room for that conference." He said, "I will let you know just as soon as possible for the conference." I heard nothing from him until the following Friday at 5 o'clock.

Mr. BENNET. October 24.

Mr. HINES (continuing). When the telephone rang and I heard Mr. Hare's voice. He said, "I beg to advise you that we will have no occasion to use your hospital. We have just let a contract for the Field Museum; we have let contracts for additional beds at Fort Sheridan, and we will not have any use for your building." That is all the notice I got. I want to say, gentlemen, I am a very busy man, and I remained in Washington from the time I heard of the difference, on call of the Secretary of War's office, day and night, and did everything I possibly could to hurry this matter, and I think I was treated most discourteously in the efforts I was putting forth to provide a safe, fireproof hospital for these soldiers. I was willing at the time, at this conference, if Mr. Hare had said, "Your beds are costing what appears to be more money than we want to use," to have paid the difference. I would have taken out of my own pocket the difference. I wanted to have the offer go ahead.

I discussed that with Mr. Shank. I was not given that opportunity. I could have also become familiar with these figures and shown that for reconstruction a 2,500-bed hospital in time of peace was in reality a 4,000-bed hospital in time of war. I was not given that opportunity.

Senator FRANCE. Does Mr. Hines's statement recall the facts to you, and do you say that that statement is substantially correct?

**Mr. HARE.** No. Mr. Hines had been given every opportunity for submitting these various projects. He had put them down in writing, and not in any of those contracts did he ever state that the question was a question of a 4,000-bed proposition, or anything of the sort. Therefore it never occurred to me that we should give him another interview at the last in order to submit what he now says was in his mind. He could just as well at any time have called me up and said, "I want to submit a fourth proposition," which would have been a 4,000-bed proposition.

**Senator FRANCE.** Did you have any witnesses at that interview?

**Mr. HINES.** Yes, sir; Mr. Shank and Maj. O'Brien; and I think Col. Wright would verify that, that we were to have the conference in Mr. Hare's room; and they are two Government witnesses.

**Mr. BENNET.** Mr. Shank was the only other man present?

**Mr. HINES.** Yes; and in my presence Mr. Hare telephoned Mr. Shank that he was proceeding, and he said, "When they are finished we will have a conference in our office." I am very confident that Maj. O'Brien and Col. Wright—I am very positive—will bear me out in that.

Now, on the question of changing the figures, our original proposition did not specify 2,500 beds; it specified a building of so many additional beds, but the plans had been drawn for a reconstruction and reclamation hospital in time of peace, with great big rest rooms and billiard rooms, etc.; but in time of war, compared with Fort Sheridan with its frame buildings, or with the Field Museum which did not have those accessories, it would hold 4,000 beds, with plenty of room. I have given this plenty of consideration when I was here for three weeks, and I was prepared to discuss that if I had been given a reasonable opportunity, but I was not given it.

**Mr. BENNET.** Your comparison between the kind of hospital you were building and the kind of hospital at Fort Sheridan is really not fair?

**Mr. HINES.** Oh, there is no more comparison than there is between a 50-cent silver piece and a \$20 gold piece. This is a fine, polished building, with the most modern elevator system, with not a piece of wood in it. No hospital building in the United States is finer. No money was spared in its construction. The outside is of cut stone. I gave authority for Mr. Erskine to O. K. all those things, if it comes out of my own pocket. I did it cheerfully. I was not blind to what I was doing. And here I was given no opportunity to explain this to the gentlemen who had the final power to say yes or no to the proposition, when I had been promised that opportunity.

**Mr. BENNET.** Did you know about the sending of these two telegrams I show you [indicating papers]?

**Senator LENROOT.** Just a moment. Will you now have the witness state as to whether, according to his best recollection, the conversation related by Mr. Hines is correct, and whether he promised him a final hearing?

**Mr. HARE.** I have no recollection of promising him a further interview on this subject.

**Senator LENROOT.** Did you lead him to believe so?

**Mr. HARE.** I do not think I led him to believe that he was to have another interview on it. I think I did ask him to call up Col.

Wright's office and go into the matter most carefully with him and submit a proposition; but when Mr. Hines says that he never had an opportunity to submit those things, or that he was treated unfairly, he had the opportunity—

Senator HARDWICK. That is not the question. Did you promise him a personal interview with Col. Wright or anybody else?

Mr. HARE. I promised him a personal interview with Col. Wright, which he had.

Senator HARDWICK. Let me finish my question. Did you promise him you would give him a personal hearing with these other gentlemen personally named before finally deciding on the question?

Mr. HARE. No; I did not.

Senator HARDWICK. That is all.

Senator FRANCE. You say you did not?

Mr. HARE. No; I did not.

Senator HARDWICK. I understood you to say, in an earlier stage of our cross-examination, that if Mr. Hines said that, you would not dispute it, but you did not recall it?

Mr. HARE. I do not recall it.

Senator FRANCE. Mr. Hines made his statement, and you practically agreed to his first statement that he was promised a last interview?

Mr. HARE. No—

Senator FRANCE. And on subsequent examination you say you do not recall it at all; and yet when he first made the statement—

Mr. HARE. No; I recall that portion of his statement very distinctly. I do not definitely recall that I promised him a last interview on this subject before it was turned down or accepted.

Senator FRANCE. Yes; but you said you were hardly prepared to deny that.

Senator HARDWICK. Although you do not remember it, I can see some reason why he should have had some basis for it, even if he did not have a positive promise of a personal interview. I am getting back to the question of facts.

Mr. HARE. Yes, sir.

Senator HARDWICK. As to whether or not he really had this sort of a promise.

Mr. BENNET. Did you ask him to remain in Washington?

Mr. HARE. Yes; I remember asking him to wait in Washington in order to go over this entire project with Col. Wright of the Construction Division and submit his revised bid, which he did, and when he revised his bid he came in and we went over and discussed it pro and con, and finally reached the decision which I telephoned to Mr. Hines at his hotel, as he says. Now, I never knew until this very moment that that was one of the things which has apparently rankled in his mind—that he had been promised an opportunity, definitely, to come up there and discuss the proposition—until he has made this statement here; because from my point of view the facts were all before us, the thing had been talked almost threadbare; he had gone into every detail of it, and that fact went to make me feel more confident that there was no reason for asking him to come up again for a final interview. I remember distinctly asking him to stay in Washington to go over the project with the Construction Division.

Senator HARDWICK. I think probably he might have interpreted as a specific statement something which was said to him as you were there together, as we are sitting around this table. Everybody will forget something.

Mr. HARE. Yes; I know that. I am not saying that I doubt Mr. Hines's statement. I only say I do not recollect having made that promise. His statement may be perfectly correct and mine may be perfectly correct also.

Mr. BENNET. Let me refresh your recollection as to the date. This revised proposition of October 12 was brought to you personally by Col. Wright on the morning of October 13?

Mr. HARE. That I do not remember.

Mr. BENNET. Col. Wright's memorandum so states. If Col. Wright's memorandum so states you have no doubt about it, have you?

Mr. HARE. That is a serious question.

Senator HARDWICK. It is almost 6 o'clock, and we will have to adjourn until to-morrow morning.

(Thereupon, at 6 o'clock p. m., the subcommittee adjourned until to-morrow, Tuesday, February 4, 1919, at 10.30 o'clock a. m.)

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## MILITARY HOSPITALS.

TUESDAY, FEBRUARY 4, 1919.

UNITED STATES SENATE,  
SUBCOMMITTEE OF THE COMMITTEE  
ON PUBLIC BUILDINGS AND GROUNDS,  
Washington, D. C.

The subcommittee met pursuant to adjournment, in the committee room in the Capitol at 11 o'clock a. m., Senator Thomas W. Hardwick presiding.

Present: Senators Hardwick (acting chairman), Beckham, Trammell, France, and Lenroot.

### TESTIMONY OF MR. C. WILLING HARE—Resumed.

The ACTING CHAIRMAN (Senator Hardwick). Gentlemen, as I understand, Mr. Hare was making his statement, and a number of questions had been asked by counsel on both sides after the committee had finished its examination. I believe we concluded that the proper thing to do was to permit these gentlemen who are here in a legal way representing the War Department now to ask such questions as they think pertinent.

Mr. BENNET. Before that, Mr. Hare was to produce some documents which I asked for yesterday which he did not have. I should like to have those put in.

Mr. HARE. Do you recall them?

Mr. BENNET. Yes; I recall them.

Mr. HARE. I forget what they were.

Senator HARDWICK. Call his attention to them again.

Mr. BENNET. Yes. You were going to bring the clearance of the War Industries Board.

Mr. HARE. Col. Wright, have you got those?

Col. WRIGHT. I think so.

Mr. BENNET. You were also going to produce, as I understood you, the letter which Mr. Trainer prepared for the signature of the Secretary of War.

Mr. HARE. Mr. Trainer?

Mr. BENNET. That is the way I understood your testimony.

Mr. ADCOCK. I think that is an absolutely false statement.

Mr. BENNET. It is not a false statement. It may be an error of recollection.

Senator FRANCE. Counsel is asking questions.

Senator HARDWICK. Let us have some order about this. Mr. Bennet may have made a mistake in his recollection.

Mr. ADCOCK. Yes; he has made a mistake.

Mr. HARE. I have no recollection of that at all. I do not know anything about that.

Mr. BENNET. I understood you to testify yesterday that a letter was prepared, I understood you to say, by Mr. Trainer, for the signature of the Secretary of War.

Mr. HARE. No, no—no, no; you misunderstood me entirely.

Mr. BENNET. I misunderstood you?

Mr. HARE. I stated yesterday that Mr. Trainer came in and said that he wanted an opportunity to make a statement to the Secretary of War, and was preparing a letter which he wanted presented to the Secretary of War. Where that letter is now, I do not know.

Senator HARDWICK. I know what you mean. That is the letter to Maj. Stotesbury that he wanted, exonerating him, and—

Mr. BENNET. Absolutely; and I got the impression that Mr. Trainer prepared the letter that he desired signed by the Secretary.

Mr. HARE. Oh, no, sir.

Mr. BENNET. Am I wrong about that?

Mr. HARE. Absolutely.

Mr. BENNET. Was a letter prepared for the signature of the Secretary of War?

Mr. HARE. Not to my knowledge.

Senator HARDWICK. Just a moment. You asked him if Mr. Trainer did prepare such a letter that he wanted the Secretary of War to sign.

Mr. BENNET. And he says "no."

Senator HARDWICK. I thought he said "yes."

Mr. HARE. No, no. I beg your pardon. I said that Mr. Trainer prepared a letter asking that the Secretary of War make a plain statement of the facts.

Senator HARDWICK. Oh, I see.

Mr. HARE. The Secretary of War has that letter, and will unquestionably produce it if it is asked for.

Mr. BENNET. The chairman and I fell under the same misunderstanding. I understood you to say that.

Col. WRIGHT. This is the clearance, referring back to the letter of the 16th.

Senator HARDWICK. Let us get those paper in.

Mr. HARE. These are the papers:

The letter of September 16, addressed to Gen. Hugh S. Johnson, director of purchase and supplies:

DEAR SIR: The inclosed papers are returned herein, together with copy of letter from Mr. Bush of September 14, addressed to me; telegram from Mr. D. E. Felt, regional advisor of Chicago, and copy of my letter of this date to Mr. Baruch.

I know of nothing to add to the letter addressed to Mr. Baruch on this subject. Since the department has progressed so far without presenting the matter here for clearance, I see no reason for our taking action on it in respect to clearance.

And the letter of September 18, from Mr. G. N. Peek, of the War Industries Board, to Gen. Johnson:

Complying with your request of the 18th instant on this subject, we have given the matter consideration, and in view of your representations of the military necessity for the establishment of this hospital, we give formal clearance to the project, with the distinct understanding, however, as stated in your letter, that this is without prejudice to our position, as outlined in our letter of September 16.

Mr. BENNET. Now, just to fix the date, there has been introduced in evidence this telegram:

OCTOBER 14, 1918.

J. - MILTON TRAINER,  
1508 Michigan Boulevard Building, Chicago, Ill.:

The Secretary of War directs that you close contracts with Field Columbian Museum for hospital purposes, awarding the contract for buildings for personnel, mess halls, and kitchen to lowest bidder if practicable.

HENRY JERVEY,  
Brigadier General United States Army,  
Assistant Chief of Staff, Director of Operations.

Official.

F. G. KELLOND.

Did you know about the sending of that telegram?

Mr. HARE. You handed that to me yesterday just as I was leaving the stand, and as I had no knowledge of it I looked up the original files last night; and the only way that I can explain it is that in these original files which were made up in the Secretary of War's office there appears to be the original of that telegram, which was apparently never sent. It is dated October 14.

The Secretary of War directs that you close contracts with Field Columbian Museum for hospital purposes, awarding the contract for buildings for personnel, mess halls, and kitchen to lowest bidder, if practicable.

HENRY JERVEY.

Now, I know nothing whatever about it, but that indicates that that telegram was never sent; but you can get that information, I am sure, from Gen. Jervy.

Mr. BENNET. So that when that copy of telegram was furnished to us as a copy of a telegram that had been sent, it is your impression that it was an error?

Mr. HARE. Undoubtedly. I do not recall all those papers that were in the Statesbury report.

Senator HARDWICK. Did you say you got this under notice from them to produce these things?

Mr. BENNET. No; it is attached to the Statesbury report as a copy of the telegram that was sent by Gen. Jervy to Mr. Trainer on that date, and until this moment I had assumed, of course, that it had been sent.

Senator HARDWICK. You say this was not sent?

Mr. HARE. I am not swearing to that. I do not know anything about it, but that is the only thing we could find in the original records last evening, which would seem to indicate that it was not sent.

Maj. LORING. Is that Gen. Jervy's original signature?

Mr. HARE. That is Gen. Jervy's original signature on the telegram.

Mr. BENNET. Of course the question whether it was sent or not would be within the knowledge of Gen. Jervy?

Mr. HARE. I should think so.

Senator FRANCE. What is the date of that?

Senator HARDWICK. October 14.

Mr. BENNET. There was put into the record yesterday a prepared statement criticizing Mr. Hines's advertisement of December 24. I want to say very frankly that if the committee desires me to cross-examine on that, I will do it; but inasmuch as I can not see how



an advertisement of December 24 influenced a decision of September 26, I do not regard it as very material, unless the committee desires me to go into it.

Senator HARDWICK. I guess we understand the facts about that.

Mr. BENNET. I thought so. (To Mr. Hare:) Do you know Mr. Ernest Graham, of Chicago, an architect?

Mr. HARE. No.

Mr. BENNET. You never met him?

Mr. HARE. No; I do not remember ever having met him.

Senator HARDWICK. Now, Mr. Bennet, is that all you wish to ask?

Mr. BENNET. Yes.

Senator HARDWICK. Now do you gentlemen who appear for the War Department desire to ask this witness some questions?

Mr. BOUVIER. Yes, sir; if you will permit me to do so, I will try to be brief. I have some notes here that perhaps may facilitate matters.

You recall, do you not, Mr. Hare, that yesterday in the afternoon session Mr. Hines made a statement in respect of the character of hospital that he contemplated erecting, that should be the finest in the land, with tile floors, lounging rooms, billiard rooms, etc., and which should represent the last word in architectural conveniences and the refinements of the science of hospital building. He referred to it as a peace hospital. Now, does the character of hospital that he described indicate in your mind any illustration of the difference between the types that the department wished to secure under the emergency policy which was then being pursued?

Mr. HARE. It does.

Mr. BOUVIER. Will you please state what it indicates, and what your position was, and what were the guiding principles that prompted you to select the one and to disapprove or to indicate your disapproval of the other?

Mr. HARE. There was no question in the mind of the War Department, when we were looking for hospitals, to secure a hospital for peace times. We were engaged entirely in securing, or trying to secure, emergency hospitals to meet the situation as it then was. For that reason we gave instructions, and very explicit instructions, to the hospital commissions that they were to go out and look for hospitals which they could either rent, or secure sites where emergency construction could go forward. Such a hospital as Mr. Hines described yesterday afternoon is unquestionably for the purpose for which Mr. Hines intended it, a perfect hospital. I have no criticism to make of Mr. Hines's project in connection with a peace hospital; but I do want to make it very clear to the members of the committee that in Mr. Crowell's mind and in my own and in the mind of every official as far as I could find out, and particularly in Mr. Crowell's mind and my own, the only point that we were considering was emergency construction. So when we found—

Senator FRANCE. Now will you please allow me to interrupt you?

Mr. HARE. Certainly.

Senator FRANCE. And to say this—that we wish you would make your testimony specific and definite.

Mr. HARE. I am trying to.

Senator FRANCE. You have said that every official connected with the Government, so far as you knew, was considering only tempo-

any construction. Now that statement is erroneous, because the testimony here is both clear and definite to the effect that the organized departments of the Government had this matter under consideration. Now, I feel myself that you must confine yourself to more specific statements.

Mr. HARE. I disagree absolutely with the point of view which you are trying to express before the committee. The statement of fact is as follows: That the department had thousands of various propositions under consideration, but the fact that we were directing our attention to at that time was the procurement of some 10,000 beds in the vicinity of Chicago, and emergency construction. It never entered into our minds to buy land and buildings for permanent hospital purposes.

Senator FRANCE. Do you wish to stand by your statement that none of the officials of the Government were considering this permanent project?

Mr. HARE. No; I did not say, sir. I said most distinctly that the officials of the Government were considering this Speedway hospital, because it is a matter of record that they were.

Senator FRANCE. That is what I say. The matter of record is in direct contradistinction to your testimony; and it is not because you desired to make any misrepresentations, but because you were talking in a general way, and not in a specific way.

Mr. HARE. I will make it as specific as I can, and I will try to focus the attention of the committee directly on myself.

As far as I was concerned, at that time, from all the knowledge that I was able to get from my superiors and from the officers upon whom I placed reliance for the judgment that I had to make finally, I was considering the question purely and solely from the emergency standpoint of trying to secure as quickly as possible, and in the vicinity of Chicago, somewhere in the neighborhood of 10,000 beds; and when the Speedway hospital, as Mr. Hines describes it, came before me, it was not at all in accordance with the point of view on which I was working, because we had at Fort Sheridan our own reservation, on our own land. We had certain buildings there, and, as anybody will recall that knows the post—and I have been there several times myself—a great big oval of green, surrounded by officers' quarters and other quarters which could very readily and promptly be turned into a hospital for approximately 2,000 beds; and on our own land in the oval we could, in addition, erect a hospital which in every particular, from my point of view, based on my experience with hospitals of a similar character, from the fact that with this national committee I had been touring the National Army cantonments and had seen these various hospitals, proved to me conclusively that if we could get 5,000 beds at Fort Sheridan we were doing the very best thing for the Government.

Now, that is my judgment in the matter. It has nothing whatever to do in the way of criticism of a magnificent hospital which Mr. Hines proposed to erect for peace purposes; but I can not make that too emphatic. I was not dealing with something that was to last forever. I was trying to house our wounded boys as they came back from Europe as promptly as I could, and I was using what intelligence I had in trying to solve a very intricate problem, and I was accepting the statements of the various—

Senator HARDWICK. Just a moment. I want to ask you a question there. Ninety days was a pretty short period in which to construct a hospital, was it not, even a temporary one?

Mr. HARE. It was a quick time.

Senator HARDWICK. In other words, if speed was what you were after, and Mr. Hines could construct his hospital in 90 or 100 days, that about equaled in speed Fort Sheridan or anything else you could do; did it not?

Mr. HARE. Well, when the proposition came before me, sir, and I found that they had been going ahead without any authority at all in starting—

Senator HARDWICK. I am speaking of what the offer was, though—to build a hospital in 90 days.

Mr. HARE. They said they would build it in 90 days.

Senator HARDWICK. That is pretty quick work, is it not—pretty rapid? You could not beat that for temporary purposes?

Mr. HARE. May I say exactly what occurred to me?

Senator HARDWICK. Yes.

Mr. HARE. For a year and a half I had been going around to the various National Army cantonments, and had become familiar, as a business man does, with the work of the Construction Division of the Army. It had impressed me marvelously, as it did the entire Nation—the rapidity, the care, and the good judgment that was exercised in building our National Army cantonments and the hospitals. Therefore, when I knew that I could have the Construction Division, a part of the Army, responsible for the production of 5,000 beds at Fort Sheridan on our own reservation, I very naturally said I would rather depend on the Construction Division of the Army, with which I was familiar, than on a contractor who, to the best of my knowledge, had never undertaken an enterprise of that size—a perfectly good contractor, the evidence proves, but I personally knew nothing about him. I did know all about the Construction Division. I relied on it. If we were not relying on the Construction Division, we were basing our whole—

Senator HARDWICK. The trouble was, you had to get 10,000 beds at Chicago?

Mr. HARE. Precisely so, sir.

Senator HARDWICK. And the facilities of your Construction Division could not possibly at the maximum supply more than half of that; and here was a proposition by which people guaranteed, under heavy bond, to give you a hospital in 90 days or maybe 100 days: so that the fact that it was to be a very fine one and a very complete one, if it was to be furnished in so short a time, ought not to have militated against the proposition in your mind. That is the way I look at it.

Mr. HARE. I disagree with you, sir.

Senator HARDWICK. I see that you do.

Mr. HARE. I do, in the first place, when you say that we had no other means of getting 10,000 beds in Chicago.

Senator HARDWICK. Did you have other means?

Mr. HARE. We had other propositions which, when this matter first came before me, on September 18, the first thing a business man—

Senator HARDWICK. Wait a minute. You go so fast and are so full of yourself that you can not listen to anything else.

Mr. HARE. I will attempt to correct that.

Senator HARDWICK. Yes; it would be a good idea if you would. You said that you wanted to rely on the Construction Division of the Army, and properly. I can see the force of your statement along that line. Is there any other place around Chicago where the Construction Division of the Army was intended to be operating except Fort Sheridan?

Mr. HARE. I think the Construction Division would have had charge of the Field Museum alterations.

Senator HARDWICK. Was there any estimate as to how long it would take to do that?

Mr. HARE. I think there was. I do not recall it at the moment: at the point, sir, if you will permit me to say so, is this: That when suddenly, before any man who tries to exercise fair judgment, a proposition suddenly comes, "Shall we spend somebody else's money"—in this instance the Government's money—"to the extent of \$3,400,000 for a splendid hospital which will last as long as permanent hospitals of that kind do," the first question that appeals to any fair-minded man is, "Can we do anything better in spending his money?" And as we were at war, and as the question was entirely an emergency one, I naturally turned to Fort Sheridan first. The Construction Division favored it, the officers upon whom I had to place reliance, because they were the only means through which it was able to function. I had to place reliance on these officers in the Construction Division.

Senator FRANCE. They were the only ones upon whom you could place reliance, you say?

Mr. HARE. No; I say I had to place reliance on them. I placed reliance on any officer of the Army with whom I came in contact. I have found them a most reliable lot all the way through. Now, in doing that I naturally had to look around the situation; so we went out Col. Starrett, and Col. Starrett reported back that there were several other sites, and we looked into the various other sites, and among them we found the Field Museum, which could give us 1,000 beds at a cost of four hundred odd dollars a bed, instead of the then price of the Speedway, on the second proposition, of some \$780 a bed.

Senator FRANCE. Now let us analyze your statement a moment along that line. You said that you relied upon the Construction Division. Col. Starrett was not in the Construction Division.

Mr. HARE. No.

Senator FRANCE. And as a matter of fact the testimony shows that you did not rely upon the Construction Division, but that you sent a special officer out to make a special investigation.

Mr. HARE. Exactly so, and I will tell you why.

Senator FRANCE. Now let me ask you another question. You said at that time was the essence of this whole matter. You did not recall, however, and you do not recall now, how long it would have taken—

Mr. HARE. May I correct you right there? I did not say that time was the essence of this whole matter in connection with that.

I said that time was the essence of the whole matter in contradicting a part of Mr. Newman's statement.

Senator HARDWICK. Oh, no; I thought you——

Senator FRANCE. Well, I understood you to say what I have just stated.

Mr. HARE. I am confident about that. I will ask to have the record read on that point.

Senator FRANCE. Perhaps I misunderstood you. Perhaps your statement was that a most important element was time.

Mr. HARE. A most important element was time.

Senator HARDWICK. Yes; you said you had to get beds for these wounded soldiers that were coming home.

Senator FRANCE. And yet it is not in your mind how long it would have taken to prepare the Field Museum, nor is it in your mind how long it would have taken to start a project at Fort Sheridan—a project which, when you turned your mind to it, had not even been started. There was nothing there.

Mr. HARE. It was very clearly in my mind that as a business man I naturally preferred to depend on the judgment and the capabilities of men whom I knew personally, and a great deal of their work, rather than on some other firm, no matter how capable that firm might be. I had to exercise my own individual judgment, and I did it to the best of my ability; and it rests with the members of this committee to decide whether that judgment was wrong or not.

Senator FRANCE. Had you in mind how long it would have taken to finish the Fort Sheridan project?

Mr. HARE. I did.

Senator FRANCE. How long?

Mr. HARE. Approximately, I think they said, in three months we could get this thing, but a very much shorter time if we got 2,000 beds, because already we had these brick buildings erected around the circle at Fort Sheridan. Then they were to put up a new building in the oval; and when the question of land came up, sir, anybody who has been along that coast, through those beautiful places, recognizes that there is some of the loveliest country in the world there, with plenty of recreation space, and so forth.

Senator LENROOT. Was this construction at Fort Sheridan done by contract?

Mr. HARE. I do not know as to that. The Construction Division was responsible for it—the officers of the Construction Division.

Senator LENROOT. Would not the Construction Division have been responsible for the Speedway if it had been approved?

Mr. HARE. They let the contracts, the Construction Division did, of course.

Senator LENROOT. What would have been the difference? The Construction Division would have been responsible in either case if the Speedway had been approved, would it not?

Mr. HARE. I do not think so; no.

Senator LENROOT. What is the difference?

Mr. HARE. The difference, to my mind, was this: That in the case of the Speedway proposition—to go back a moment—Mr. Erskine comes down to the Secretary of War and then goes around giving the general information that the Secretary of War approves of this

project, and from there, through military channels, an atmosphere is unquestionably created in the minds of these various officers who had to deal with this project that the Secretary of War, their chief, approved—

Senator LENROOT. Pardon me; that is not answering my question at all. You said that you did not look with favor upon the Speedway project because the Construction Division would not have been responsible for that project, if approved, while in the Fort Sheridan case the Construction Division would have been responsible.

Mr. HARE. Yes.

Senator HARDWICK. And in the Field Museum case.

Mr. HARE. And in the Field Museum case.

Senator LENROOT. Now, are you acquainted with the Sumner-Smollett Co., of Chicago, Ill.?

Mr. HARE. No.

Senator LENROOT. Do you know whether or not they were the contractors for the Fort Sheridan project?

Mr. HARE. I do not.

Senator LENROOT. If you do not, how is it that you attempt to make a distinction between the building at Fort Sheridan and that at the Speedway, if the Speedway project had been approved?

Mr. HARE. I will tell you. When the Construction Division decide to erect buildings on Government property, they choose their own contractors. In this case, if these contractors had been chosen, it would have been as a result of efforts on the part of outside parties to have those particular contractors and the whole project chosen. That was the distinction, and I think it is a very clear distinction.

Senator LENROOT. Did you have any intimation at any time from the Construction Division that there was any question in their minds as to Shank & Co. being a proper contractor?

Mr. HARE. I had this information, because that was one of the first things that we asked Starrett to look into, and I asked the Construction Division; and from what I could find out at that time, Shank & Co. had an excellent reputation for what I might call small operations. I could not find out at that time that they had ever undertaken anything of this size.

Senator LENROOT. So you want the committee to understand now that one of the reasons that actuated you in rejecting this proposition was your lack of confidence in Shank & Co.

Mr. HARE. I should not say that in those words. I should say that, as I put it, one of the considerations of dealing with the Construction Division, which I had been dealing with for these two or three weeks, and knew of their past work, and which had a decided effect upon my mind, was that when they said they would go ahead with a thing, I knew they would move heaven and earth to put it through.

Senator FRANCE. How did you know that? Had you had dealings with them?

Mr. HARE. I had, in this way—that from the first of May, 1917, right straight through until the first of August, I was visiting various National Army camps. I saw the construction started; I saw the herculean efforts being made to push it through in a very short space of time, and I saw the results as they developed.

Senator FRANCE. It was your policy, then, to favor the giving of contracts to those gentlemen whose work you had seen in the cantonments? Is that true?

Mr. HARE. I had nothing whatever to do with giving the contracts.

Senator FRANCE. Was that your policy—to give contracts to corporations with the work of which you had become acquainted as a result of visiting the cantonments?

Mr. HARE. Nothing of the sort.

Senator FRANCE. I misunderstand your testimony, then.

Mr. HARE. Nothing of the sort. The Construction Division, as I understand it, when it came to the letting of a contract, turned the matter over to a specially set-up board of which Col. Starrett was the head, and they looked into the merits and the demerits of all the contractors, and on their judgment the Construction Division accepted a contractor, and finally had to get, I think, the approval of the Assistant Secretary of War.

Senator FRANCE. This is very interesting and very important, because you realize how large the questions are which are involved in the selecting of contractors.

Mr. HARE. Absolutely.

Senator FRANCE. Col. Starrett, you say, was the chairman of a board which decided upon the relative merits of different contractors?

Mr. HARE. He was; yes.

Senator FRANCE. Who were the other members of that board?

Mr. HARE. I do not know. I only know that he was the head of that board.

Senator FRANCE. You were relying upon that board?

Mr. HARE. Absolutely.

Senator FRANCE. But you did not know its personnel?

Mr. HARE. I knew Col. Starrett, the head of it. I thought that was sufficient.

Senator FRANCE. You only knew one of them?

Mr. HARE. It was set up under Mr. Baruch, in the War Industries Board.

Senator FRANCE. But you had never consulted with them on this matter as to the character of Shank & Co. and as to the reliability of Shank & Co.?

Mr. HARE. Oh, yes, I had; and, as I have said before, I found that Shank's reputation as a contractor was excellent, but that he had never undertaken as big a project as this.

Senator LENROOT. Do you want the committee to infer that the Construction Division only accepted contractors that had undertaken projects of the size which was given them?

Mr. HARE. I beg pardon?

Senator LENROOT. Do you understand that it was the practice of the Construction Division to limit the giving of contracts to those men only who had previously constructed projects of that size?

Mr. HARE. No; I did not. I do not know—I am not competent to answer that question.

Senator FRANCE. Then all of this testimony is entirely irrelevant—

Mr. HARE. I do not agree with you at all, because I am trying to put before the committee—

Senator FRANCE (continuing.) Because you have given a lot of testimony, and then you have cut it out yourself.

Mr. HARE. No; I have been trying to put before the committee the action of my mind on this question.

Senator TRAMMELL. As I understand the gentleman, the success of previous contractors was one of the elements of consideration in giving out new contracts. That is the point that you are trying to impress upon the committee, is it not?

Mr. HARE. That is the point, on the question of the selection of contractors by Col. Starrett. I remember constantly—I will not say constantly, but I remember several instances in which interested parties very naturally and very properly came down to make inquiry of the Secretary of War as to why one contractor was selected instead of another, and Col. Starrett was called for, and produced the evidence showing what made up his mind.

Senator FRANCE. Would not that policy have naturally tended to confine the letting of contracts to a small group, the members of which at the beginning of the war had, for some special reason, secured these large contracts?

Mr. HARE. Positively not, sir. I think, from my knowledge of Col. Starrett, that he leaned backward in that whole proposition. The cases that came before me seemed to have been decided on their merits absolutely; and I am speaking absolutely ex parte, because I am not a contractor, and I do not know anything about the contracting business.

Senator LENROOT. You said you made no inquiry as to the ability of the contractor at Fort Sheridan to complete that project?

Mr. HARE. I leave that to the Construction Division, sir.

Senator LENROOT. But you did exercise some independent judgment—not leaving it to the Construction Division—as to the Speedway?

Mr. HARE. Absolutely.

Senator LENROOT. Well, what—absolutely what?

Mr. HARE. I absolutely did exercise additional caution, in view of the telegram that was sent by Col. Starrett, followed by his report.

Senator LENROOT. In other words, you left it to the Construction Division in one instance and you did not in the other?

Mr. HARE. That is true.

Senator LENROOT. All right.

Mr. BOUVIER. Now, in respect to the Construction Division, I understand you to say that, so far as the immediate superintendence was concerned—perhaps I misinterpreted your testimony—

Mr. HARE. May I correct that statement? Because, if I may be very frank, I am thoroughly unaccustomed to having questions fired at me around a table by a lot of interested parties all one way, and I am trying—

Senator LENROOT. We only want to know the facts.

Mr. HARE (continuing). And I am trying, to the best of my ability, to give you the facts.

Senator FRANCE. Now, that statement there—

Mr. HARE. Now, I should not have answered that question in that way, because a moment's reflection shows that you were trying to



imply that I left one proposition to the Construction Division and not another. Now, that is not so.

Senator LENROOT. No; I only meant so far as the facts are concerned.

Senator FRANCE. I want to make this statement right here—

Mr. HARE. May I answer that first?

Senator FRANCE. No; you may not answer anything. I want to make the statement right here that you shall withdraw from this testimony your statement about "being asked questions by interested parties," so far as this committee is concerned. Do you retract that statement?

Mr. HARE. That is the impression that it has left on my mind—that you have been very much interested in drawing out all the testimony—

Senator FRANCE. You do not retract the statement, then?

Mr. HARE. I do not know what you mean.

Senator LENROOT. You did not mean interested one way or the other as to the merits of the project?

Mr. HARE. Oh, not in the least.

Senator FRANCE. Mr. Hare, you certainly use language in the loosest way of any man I ever heard give testimony. I will put that statement in the record.

Mr. HARE. But may I correct the impression that, perhaps, I made by that answer?

Senator LENROOT. Yes; go ahead.

Mr. HARE. If I was of any use at all, I could not sit there and simply take anything that somebody handed to me, and hand it to the Secretary of War, and say: "You sign it; it must be all right." I did not consider my job that kind of a job. I was trying to use the best of my ability on everything that came from the Construction Division.

Senator LENROOT. There was nothing in my question, my dear sir, that even implied any such thing.

Mr. HARE. Well, then, if you understand that every question which came from the Construction Division I exercised my judgment on, and I either declined it or I accepted it, and I declined nothing that came from the Construction Division with the backing of the whole War Department or of the whole Army—

Senator LENROOT. My question was simply this: You said you gave no consideration to who the contractor was on the Fort Sheridan project, but that you did in the other case, although both of them were under the complete jurisdiction of the Construction Division. That was my question.

Mr. HARE. I do not understand that at the time this came up the Construction Division had accepted or was in any way responsible for anything that was going on in the Speedway. The evidence is quite to the contrary, sir.

Senator LENROOT. Did it not come up to you in the case of the Speedway, so far as the Construction Division was concerned, and in exactly the same manner that the Fort Sheridan project came up to you?

Mr. HARE. Absolutely; yes.

Senator HARDWICK. They were both approved by the Construction Division?

Mr. HARE. They were approved all the way down the line until they came up to me.

Senator LENROOT. So that they were on a parity so far as the Construction Division was concerned.

Senator HARDWICK. In view of your testimony, it becomes important to me to understand something of your business experience. You said you were not a contractor.

Mr. HARE. No.

Senator HARDWICK. What is your present place with the Government? Have you a permanent place with the Government?

Mr. HARE. No. I thought I explained yesterday that on the 1st of August, after this work had been going on in the field, they asked me if I would come down here and form a national committee—

Senator HARDWICK. Yes; you told us about that.

Mr. HARE. On the 1st of September. At the present time I am assistant director of munitions.

Senator HARDWICK. At what salary?

Mr. HARE. At \$4,000 a year. I am at the present time an employee of the Government.

Senator FRANCE. Are you also employed by the United Gas & Improvement Co. at the present time?

Mr. HARE. I am; yes. They are continuing my salary.

Senator FRANCE. You draw a salary from both?

Mr. HARE. From both, at the present time.

Senator HARDWICK. From whom?

Mr. HARE. From the United Gas & Improvement Co.

Senator HARDWICK. Do you mean of Philadelphia?

Mr. HARE. Of Philadelphia.

Senator HARDWICK. Do you still draw a salary from them?

Mr. HARE. They have been keeping me on the pay roll right straight through, as they have a number of other men whom they thought could help the Government in the emergency.

Senator HARDWICK. While they were doing that you were getting a dollar a year, though, were you not, when that started?

Mr. HARE. All that time I was; yes.

Senator HARDWICK. But now you are getting \$4,000 a year. Do they still keep you on their pay roll?

Mr. HARE. They still keep me on at \$15,000.

Senator HARDWICK. Do you regard that as proper?

Mr. HARE. Well, it never entered into my head.

Senator HARDWICK (continuing). That you should draw a salary from the gas company and \$4,000 from the Government, at the same time?

Mr. HARE. I do not see any objection to that.

Senator HARDWICK. All right.

Senator TRAMMELL. Your services have been given to both the Government and this company, have they?

Mr. HARE. No. I will tell you exactly how the United Gas & Improvement Co. treated the entire question. When the war came on, they, like every other corporation of the country, said they wanted to do all they possibly could to help the war through, and men were called for from every part of the country, as you know, to leave corporations and leave their business; and the corporations

kept those men on their pay rolls. I came down here and worked without any salary until they finally said: "We are going to put you all on at \$150 a month." I think it was sometime in September that that decision was reached.

Senator FRANCE. Yes; we are finding a number of instances where men are drawing salaries from the Government and are serving the Government while they are also drawing salaries from private corporations, and this is another instance.

Mr. HARE. Well, what are you trying to indicate by that, sir—that I am not looking after—

Senator HARDWICK. We are simply getting the facts.

Senator FRANCE. There are no inferences at all. We are after facts, and not arguments. Now, this United Gas & Improvement Co. is a large corporation, carrying on business in Philadelphia and also in Pittsburgh, is it not?

Mr. HARE. No; I will tell you: It carries on business in a great variety of towns.

Senator FRANCE. Yes; in a great variety of towns all over the country. Do you know whether this corporation has entered into any contracts with the Government for the supply of service, traction service, illuminating service, or any other service?

Mr. HARE. That I would not know anything about. It would not come under my work at all.

Senator FRANCE. It seems to me that you have had general supervision over determining where the contracts should go, and the United Gas & Improvement Co. is a very large undertaker so far as the supply of gas and electric light and public-utility service is concerned. Now, you have been telling us the policy which you pursued in letting contracts; and in connection with that I should like to know whether you knew whether the United Gas & Improvement Co. had been furnishing any services to the Government?

Senator HARDWICK. That is very proper.

Mr. HARE. That is a perfectly proper question. I do not know of my own knowledge, but I take it for granted that any enterprise that was within reach of their lines they would naturally, as a public-service corporation, offer service to. We operate—if I may tell you just briefly—in Concord, N. H.; Manchester, N. H.; we have interests in the Connecticut Railway & Lighting Co.; we operate the gas works in Philadelphia; we have an interest in the Atlanta Gas Light Co.; we operate in Savannah; we operate in Kansas City; in Omaha, Nebr.; in Des Moines, Iowa; in Sioux Falls, S. Dak.; in Janesville, Wis.; the Northern Indiana Electric property, which is in the neighborhood of Chicago; and Charleston, S. C.; and some of those undoubtedly, if they were asked for service, would render it.

Senator HARDWICK. During the time you have been down here, what salary have you been drawing from this corporation?

Mr. HARE. \$15,000 a year.

Senator HARDWICK. Do you still get that from them?

Mr. HARE. I do; yes.

Senator FRANCE. What are your duties with that corporation?

Mr. HARE. I began there 20 years ago and worked my way up. I started in as a complaint clerk at \$50 a month, and from there I was advanced by what I considered, as every young man does, very slow

stages, until finally the first job that was really offered to me was to manage the claim department, which had to do with looking after accident cases.

Senator FRANCE. Claims against the company?

Mr. HARE. Claims against the company.

Senator FRANCE. But you are not an attorney?

Mr. HARE. I am not an attorney; no. I come from a family of lawyers.

Senator FRANCE. Usually, is it not the practice of large corporations with claim departments to have lawyers at the head, connected with the department?

Mr. HARE. I think not. I will answer that. I think there probably are some with lawyers at their heads, but I think that they thought that perhaps it was just as well not to have a lawyer at the head of this one.

Senator FRANCE. Well, that is immaterial.

Senator LENROOT. Have you rendered any service to your company since your entry into the Government service?

Mr. HARE. None whatever, no—none whatever.

Senator LENROOT. You have had no communications or relations with them with reference to any relations that they had with the Government?

Mr. HARE. None whatever; and I think this can be verified by the Assistant Secretary of War or some one in his office: The only time since I have been down here, since the 1st of August, that anything came up between the Government and the United Gas & Improvement Co. was the question of supplying a certain amount of toluol, which is one of the residuums from the process of making gas, and which is used in explosives; and somebody in the Secretary's office said: "Do you know anything about this?" I said: "No; I want you to handle that thing yourself;" and how they decided that particular point has passed from my memory.

Senator LENROOT. Does your company manufacture that in large quantities?

Mr. HARE. No; it is simply a by-product.

Senator LENROOT. I know it is a by-product.

Senator FRANCE. Does your company sell wire—copper wire, etc.?

Mr. HARE. No.

Senator FRANCE. And the supplies which are dealt in generally by public utilities?

Mr. HARE. No.

Senator HARDWICK. Will you give the committee a list of the contracts which this company from which you are drawing this \$15,000 salary has had with the Government?

Mr. HARE. I can get that for you. I shall be very glad to do so.

Senator HARDWICK. I wish you would furnish that.

Senator LENROOT. The contracts of which you speak now are in the department of which he is now assistant director?

Senator HARDWICK. Yes—all departments, I mean, of the War Department.

Senator LENROOT. If there were any. I understand he is assistant director of munitions.

Mr. HARE. Oh, I thought you meant with any part of the department.

Senator LENROOT. I think he did, and I was now confining it, if there was anything of the nature you spoke of a moment ago—

Mr. HARE. Since I have been down there—I can answer that myself—I know there have not been.

Senator LENROOT. Not by you, but I mean, in the department with which you are now connected.

Mr. HARE. With the sales department?

Senator HARDWICK. As I understand, this gentleman has recently been a general assistant to the Assistant Secretary of War.

Senator LENROOT. That is true. He is now assistant director of munitions.

Senator HARDWICK. Very well. I renew my question. I think I should like to have it for my information.

Senator LENROOT. Yes; to be sure.

Senator HARDWICK. I should like to have it as broad as the department. Just furnish us with a list, to supplement your testimony, of the contracts your company has had during this period with the War Department.

Senator FRANCE. The United Gas & Improvement Co., as I understand, does a large amount of construction work all over the country in connection with its various projects?

Mr. HARE. It does. It has its construction division.

Senator FRANCE. It necessarily employs contractors to carry on that work?

Mr. HARE. I am not familiar with that. The only way I have been able to get along is to give my undivided attention to my own job. It is a huge corporation.

Senator HARDWICK. Your present position with it is what?

Mr. HARE. Manager of the new business department, which has charge of sales. Now, it has not charge of the sales of the residuals. It has charge of sales of gas and electric light to our consumers.

Senator HARDWICK. In other words, you sell the main products?

Mr. HARE. We sell the main products; and in order to develop their use of course we have to build up the development of gas ranges, hot plates, gas irons, and anything that can use gas efficiently and will help in the domestic use of gas. That is my job.

Senator HARDWICK. Since when have you been drawing this \$4,000 salary from the Government?

Mr. HARE. I will tell you rather a curious thing about that. About the middle of December, when Perkins, of Boston, who was one—there are two assistant directors of munitions—left, Mr. Crowell said: "I want you to take that job." I said, "Mr. Crowell, I do not want to. I came down here to work during the war. I want to go home. I am tired out." He said, "I wish you would take it." and he rather urged me; and in view of the fact that, believing that the war was going to last through the winter, I had saddled myself with a small house here, and I was rather involved. I felt that I could not get rid of the house, and that I had to stay; and so that made me feel that I might as well stay on for the next two or three months. I said, "I want you to agree that I will not have to stay here after the 1st of April," and he said, "Why, certainly not; but take it up for the time being, because I want you to supervise the getting up of an organization to dispose of surplus property. Your experience, I think, will be of value to the Government." So, really against my will, I said I

would temporarily accept the job of Assistant Director of Munitions, with the understanding that somebody was to do the operating end. Gen. Jamieson, a very able officer, was selected for the job of sales director, Director of Sales, and was only there a week before he was taken ill and had to leave. Then they dumped that on me, and said, "Will you, for the time being, accept that additional responsibility?" I felt that I ought to play the game through, and that is the reason I am still here.

Senator LENROOT. At the time your salary of \$4,000 was fixed, did your superior officer who fixed the salary know that your \$15,000 salary continued?

Mr. HARE. I do not know whether he did not or not. I do not believe he did. It never came up, because I never paid the slightest attention to it.

Senator HARDWICK. You paid some attention to the salary, did you not?

Mr. HARE. You bet. I depend on that.

Mr. BOUVIER. May I proceed?

Senator HARDWICK. Yes.

Mr. BOUVIER. Perhaps we have been a little afield for the moment. Therefore I should like to direct your attention back to the original question.

Whether the policy was a good policy or whether it was the contrary, so far as the War Department was concerned, was there any policy in existence in September of 1918 in respect of the adoption of temporary structures, or structures owned by the Government, or structures that were already constructed and could be purchased, as against the purchasing of land and the constructing of new or permanent buildings.

Mr. HARE. There was a very distinct policy in effect, and that was that emergency construction was the rule and not the exception. We were to get as quickly as we could, and wherever we could, to advantage, emergency hospitals. Instructions were issued to this hospital commission stating very plainly that they were to go out and lease properties where they could, and were to advise where perhaps emergency construction could be carried on.

Senator FRANCE. That answers that question.

Mr. BOUVIER. I think it is important in connection with some of the influences that made for the selection of the one and the discarding of the other.

Senator HARDWICK. That has already been brought out in the evidence.

Mr. BOUVIER. True; but it has not been brought out in continuity, unfortunately. It was interspersed through various pages of the record, and it is difficult to find or to get at with any degree of convenience.

Senator Hardwick yesterday, I believe, very frankly stated his theory of this case; and if I correctly interpret him—I know the Senator will quickly correct me if I have misinterpreted him—

Senator HARDWICK. I am sure you will not do it intentionally, and if you do it unintentionally I will try to put you straight.

Mr. BOUVIER. If I correctly interpret him, he said he believed that the reason for turning down the Speedway contract or scheme—

Senator HARDWICK. The second rejection.

Mr. BOUVIER. Was due to the fact—the second?

Senator HARDWICK. Yes; the second.

Mr. BOUVIER (continuing). That on or about the 25th day of October the Government knew pretty clearly how the war would terminate, and therefore they felt that they might have, if not a white elephant, at least too large a contract upon their hands, and availed themselves of a technicality. Does that substantially represent the theory that you announced yesterday?

Senator HARDWICK. Yes; and let me say, in that connection, so that the witness may have these facts before him when he answers, that the record before this committee during this investigation proves part of that proposition conclusively. The Army, the War Department, acting in perfect good faith and with commendable zeal, have provided a considerable excess of hospital accommodations, because they did not anticipate quite soon enough that this war would end as quickly as it did. The result is that there is something like an excess of 50,000 beds in Army hospitals over what was estimated would be the requirements; and this committee is trying, among other things, to work out the problem of transferring some of these hospital facilities of the Army to the War Risk Bureau and to the other civil agencies of the Government.

Mr. BOUVIER. Whatever the knowledge may have been upon the part of those high in authority, or with great prescience, as to the termination of the war on October 25, and the manner thereof, did you know anything about it?

Mr. HARE. I knew nothing about it.

Senator HARDWICK. Just a moment right there. Suppose you invite his attention to Col. Dickinson's letter.

Mr. BOUVIER. Let me invite his attention to his own mental processes first.

Senator HARDWICK. I want to know if he knew about that letter at that time.

Mr. BOUVIER. I do not know what letter you are referring to.

Senator HARDWICK. You remember it, do you not? Col. Dickinson wrote a letter in which he said that, owing to recent developments abroad, it is apparent that we have got—

Mr. BOUVIER. I have not in mind that letter, sir.

Senator HARDWICK. That was sent, I think, to your office. I want the witness to have that clearly in mind in answering the question.

Mr. HARE. Is that it?

Senator HARDWICK. Yes, that is it.

Mr. BOUVIER. Can this be the letter to which the Senator makes reference?

Mr. HARE. That is it.

Senator HARDWICK. Yes.

Mr. BOUVIER. I have read the initial paragraph. It did not strike me at first as being the document you have in mind.

Senator HARDWICK. Read that.

Mr. BOUVIER (reading):

In view of recent developments abroad, an excess number of beds should not be sanctioned at this time, for any one district. Therefore the plans for Chicago are subject to review. The need for the period of a year for this district will be covered by adding to the provision already made at Fort Sheridan and Cooper Monotah, either the Field Museum or Maywood. There is no ques-

which would be the better hospital project. Maywood is preferred by the Surgeon General as well as by the Construction Division of the Quartermaster General's Office, and the Operation Division of the General Staff.

Senator HARDWICK. Colonel, directing your own mind to what is in the opening sentence there "In view of recent developments abroad, an excess number of beds should not be sanctioned," coupled with the fact that some weeks prior to the declaration of this armistice there was what amounted to almost general knowledge—

Mr. BOUVIER (interposing). I wish I could have shared in it.

Senator HARDWICK. People in the country generally knew it and celebrated it prematurely.

Mr. BOUVIER. On the 25th of October?

Senator HARDWICK. Several weeks before that.

Mr. BOUVIER. Those that celebrated before that time were chronic celebrators.

Senator HARDWICK. That is a very superficial view to take of it.

Mr. BOUVIER. We celebrated with very little reason at New York, and I never had an opportunity to celebrate for any such event as that, though I should have delighted to do so.

Whatever the celebration had been, sir, or whatever the information had been in respect to the celebration on October 25th, and the continuance of the war, was it made known to you?

Mr. HARE. It was not.

Mr. BOUVIER. Did you know anything about it?

Mr. HARE. No, I was going full steam ahead.

Senator HARDWICK. Right there I want to ask a question. Do you mean as late as October 26th that you did not have any belief in your own mind but that the war was practically over?

Mr. HARE. No; I did not, sir.

Senator HARDWICK. All right. I just wanted to know.

Senator LENROOT. You were not aware of Germany's intentions as expressed by her message to President Wilson and the acceptance of terms?

Mr. HARE. I knew that was in the press.

Senator HARDWICK. You did not believe that the end of the war was near?

Mr. HARE. I did not, and I was not informed by anyone in authority what their opinion was on that subject.

Mr. BOUVIER. On the 26th of September, when the Maywood proposition was disapproved, what, so far as your knowledge of the situation was concerned, was the condition of the fighting on the German side?

Mr. HARE. They were in the very midst, as I understood it, of the fiercest fighting of the war, pushing forward.

Senator HARDWICK. I mean at the time of the first rejection?

Mr. BOUVIER. No, sir; when the original proposition of Maywood was disapproved, the 26th day of September, at which time I happen to know there was a violent clash of arms. I had a son in it.

Senator HARDWICK. I had in mind the rejection of October 26th, which was the final.

Mr. BOUVIER. You mean the 25th?

Senator HARDWICK. The 26th, it was.

Mr. BOUVIER. I was adhering to the original rejection, and believe other propositions were introduced at a later date.



The question was put by Senator Hardwick yesterday to you whether, in your judgment, a hard-headed business man would have put in a million dollars of his money had he not had a reasonable expectation from things that were said or intimated that this contract would in its finality be signed. Do you recollect a question of that kind?

Mr. HARE. I do.

Mr. BOUVIER. And therefore the chairman was interested to know what, in your judgment, could have induced them to have made this venture of a million dollars, unless it had been that some information had been conveyed to them that the contract was signed or would be signed. Will you, if you have any view in the matter, if you are invited to express an opinion by the Chair, be good enough to do so?

Mr. HARE. My view of the matter is this: That they knew that they had no legal contract, but that they felt they might have a moral obligation on account of the general atmosphere that was created and the various conversations that they had had with the officers of the Army. Therefore, without any legal contract, they were driving ahead on their work, in spite of the warning that had been given them, and still continued to do so after the warning, in order that they might create a moral obligation on the part of the Government which would give them a hearing before Congress.

Senator HARDWICK. Would hard-headed business men be likely to spend a million dollars on that sort of chance?

Mr. HARE. When they knew they had no legal ground to stand upon.

Senator HARDWICK. Why did they have to spend anything unless they had some assurance?

Mr. HARE. That was the risk they were taking.

Senator HARDWICK. That does not appeal to you, does it, as a good reason?

Mr. HARE. It appeals to me under the circumstances as the reason that actuated them.

Senator HARDWICK. The question put to you was whether hard-headed business men would be likely to do it.

Mr. HARE. I know I never would have done it.

Mr. BOUVIER. You never have been characterized as a hard-headed business man, as I understand it.

Senator HARDWICK. I rather thought he was from his relation of his business experience.

Mr. BOUVIER. He has aspired to be.

Senator HARDWICK. With \$19,000 a year he is doing pretty well.

Mr. BOUVIER. We all can not be Senators, you know.

Senator HARDWICK. We do not get half that.

Mr. BOUVIER. I may change my view.

Senator HARDWICK. I hope these little pleasantries do not disturb you.

Mr. BOUVIER. They animate me, sir. I rejoice in them. It is an unsatisfactory day without them.

Senator HARDWICK. You have to have some comfort, then.

Mr. BOUVIER. Not in Washington. I may get it in Baltimore, but I do not get it here.

Senator FRANCE. You had not read this contract, had you, this first contract between the Construction Division and the Shank Co.?

Mr. HARE. Maj. O'Brien brought me over the contract. Is that the contract that you refer to?

Senator FRANCE. I think you said you had not read it all, but I wanted to ask you this question. Do you think that there is any possibility that these gentlemen may have felt some moral obligation to begin work and complete this project as soon as possible in view of the pressing need which they knew existed for hospitals?

Mr. HARE. I do not. The officers of the Construction Division told me most emphatically that in all their interviews they had explained that there was no authority to go ahead with the work.

Senator FRANCE. I am not speaking of authority. Do you think it is possible that these gentlemen may have been animated by a sense of moral responsibility to provide hospital facilities as soon as possible?

Mr. HARE. I do not.

Mr. BOUVIER. Of course, that element has been lost if they seek to be compensated for their moral uplift.

The chairman likewise in his review of what I have called the Newman incident, in which the difference of time by the chairman's calculations amounted to just about two weeks instead of four weeks.

Senator HARDWICK. Twelve days.

Mr. BOUVIER. And I think you will, in the spirit of generosity, regard it as a verbal slip.

Mr. HARE. The Newman statement as to time?

Mr. BOUVIER. Yes.

Mr. HARE. Most assuredly I do.

Mr. BOUVIER. Give us the benefit of your objections to that statement.

Mr. HARE. The essential objection was that if they could show that I had knowledge of this matter on the 1st of September, and they were going ahead, and make their fight for a moral obligation, that obligation was so much stronger. But not having that knowledge, having no knowledge whatever about it until it came before me, as I have testified, I could not have known that they were starting work, and therefore could not have stopped it.

Mr. BOUVIER. Senator France, yesterday, when you stated that warnings had been given to these people, held you down to persons, statements of the men, the time, the places and the circumstances. Are you prepared to give with that precision that the Senator required the names, the places and the time of each individual warning, or are you relying upon the statements made to you by representatives of the construction or other department?

Mr. HARE. I can not give the time and place and all that exactly. I was relying entirely upon the statements made to me by the members of the Construction Division, the telegram that was sent by them saying that no authority had been given, the statement made by Mr. Erskine to Gen. Noble that he knew he had no authority to go ahead, but if it was not approved he would stand fifty-fifty, or words to that effect, and the repeated warnings given by Maj. O'Brien and Col. Wright that they had no authority to proceed.

Mr. BOUVIER. You have mentioned the name of Erskine and Senator France said yesterday—if I state it incorrectly I know you will correct me—that Mr. Erskine not being a representative or

agent of Mr. Hines or Mr. Shank, therefore any notice to him would not be binding upon them. Is that the substance of what he said?

Senator HARDWICK. I think he made some suggestion of that kind.

Mr. BOUVIER. I think so. That was in relation to the legal obligation, so far as a point of law is concerned. Are you advised whether it referred to the legal or the moral obligation, so far as the effect of notice is concerned?

Mr. HARE. I understood that it was a legal obligation, but I remember Mr. Hines stated that Mr. Erskine represented him in every particular, and I further remember, if my recollection is correct, that Senator Hardwick said that there was no legal obligation in this entire affair, but it was a moral obligation——

Mr. BOUVIER. If any.

Mr. HARE. If any, merely a moral obligation, if any. Mr. Erskine was fully aware of this.

Mr. BOUVIER. Shall I proceed?

Senator HARDWICK. Yes.

Mr. BOUVIER. You will recall yesterday, while you were reading what for want of a more general characterization I will call the Newman statement, that you arrived at a certain paragraph the exact context of which has escaped me now, and Mr. Shank, apparently unaware that it was from the Newman statement, stood up and said, "I never said anything of the kind." Do you recollect the incident?

Mr. HARE. I do.

Mr. BOUVIER. Will you give the Senator and myself the benefit of the context of that paragraph that claimed your attention?

Mr. HARE. I was reading from a statement prepared by Mr. Newman for Mr. Shank's signature. [Reading:]

All of the departments in Washington, I understand, have without question; the construction department know that I was engaged in the business of carrying on this work, destroying the steel grandstand structure to which I have above referred, laying foundations for this immense building, 2 000 feet long, building the walls, and purchasing vast quantities of materials amounting to several hundred thousand dollars, for all of which I am obligated.

Mr. BOUVIER. That was the paragraph denied yesterday as having been made by him at all. Am I correct?

Mr. HARE. Yes.

Mr. BOUVIER. That is from Mr. Newman's statement as prepared for Mr. Shank's signature?

Mr. HARE. Yes.

Senator HARDWICK. Had you been reading the prior portions of that statement before?

Mr. HARE. I had.

Mr. BOUVIER. The prior portions dwelt upon the particular instance, the question of time, so far as Mr. Hare's knowledge of the Speedway proposition was concerned.

Senator HARDWICK. I was wondering if it was not possible for Mr. Shank——

Mr. BOUVIER (interposing). I was rather interested in Mr. Shank's statement because it was obvious to my mind that Mr. Shank was unaware that he was reading from his statement.

Senator HARDWICK. I do not know whether he meant to dispute that.

**Mr. BOUVIER.** I gathered in my own infirm way that he did. That is all. Mr. Hines also in his statement of yesterday announced that he had told Mr. Erskine that if the cost went beyond the contract price that he would put his hands down in his own fortunately capacious pocket and would pay the difference. Did he put any such proposition in writing to you, Mr. Hines, that he would pay the difference between the contract price and what would be the actual cost, later?

**Mr. HARE.** He did not.

**Mr. BOUVIER.** Did he ever tell you so?

**Mr. HARE.** Never.

**Mr. BOUVIER.** Did you ever hear that before the announcement by the gentleman yesterday?

**Mr. HARE.** Never.

**Mr. BOUVIER.** We had an observation made by Mr. Hines yesterday to the effect that this proposition of 2,500 beds was readily convertible into 4,000 beds. Now, what, if any, time was the first that you heard about the 4,000-beds proposition as distinguished from the 2,500-beds proposition?

**Mr. HARE.** At my interview with Maj. Stotesbury, about December 18.

**Mr. BOUVIER.** 1918?

**Mr. HARE.** 1918.

**Mr. BOUVIER.** Senator France interrogated somewhat meticulously, I think, upon what were the names of—

**Senator HARDWICK.** Before you leave that other point. What Mr. Hines contended about the number of beds was this, that if the same number of square feet that you applied to one proposition had been applied to the Speedway proposition, in order to determine the number of beds that would be furnished, it would make a 4,000-bed proposition by the same rule of thumb. Was not that his position?

**Mr. HARE.** I do not know. All I know is that no question of anything more than 2,500 beds came up.

**Senator HARDWICK.** Is it true that if you take the number of square feet floor space to make the same proposition on this project as you make on the other, it would have furnished 4,000 beds as readily, for instance, as the Field Museum?

**Mr. HARE.** That was explained by Col. Wright. His statement is in the record and he will testify.

**Senator HARDWICK.** But the point is that you considered the number of beds without the floor space. You never considered anything but a 2,500-bed hospital.

**Mr. HARE.** I never did.

**Senator HARDWICK.** Of course, not because that was the way the plans were fixed, but the point is that if you compare the relative merits, it was not right to put it on the basis of the number of rooms without taking into consideration the number of square feet.

**Mr. BOUVIER.** May I interpolate a word on that proposition? If you will recall the balance of Mr. Hines's statement, he said that had the opportunity been given to him, but through a lack of courtesy he was denied that—

**Senator HARDWICK.** Yes; I remember that.

**Mr. BOUVIER.** That he would have stated that there would be 4,000 beds that would be available, put it in concrete form.

Mr. HARE. I would like to call your attention to the fact, because Mr. Bouvier is not aware of it—that there is a letter in the record which he wrote two days after the rejection of October 25, in which he states this.

Mr. BOUVIER. After the final definite rejection.

Senator HARDWICK. This contention was very forcibly impressed upon my mind in this way. You take the Field Museum, we will say, or the Fort Sheridan project. Call each one of them one of these books [indicating]. Say this is the Fort Sheridan project. That contains 80,000 square feet of floor space. Here is the Field Museum, say it contains 60,000 square feet, and here comes this Speedway, and say it contains 60,000 square feet. The point was that if you applied the same rule of the amount of floor space to the one project that you did to the other, it stood on the basis of a 4,000-bed proposition.

Mr. BOUVIER. That is evident to a conspicuous mind like your own. I can see the validity of that in my way, but it is quite evident that, concretely, the point had not been brought out that 1,500 more could be provided.

Senator HARDWICK. Colonel—

Mr. BOUVIER (interposing). I shall have to demote myself. I am a major. All hope of promotion is gone.

Senator HARDWICK. Major—

Mr. BOUVIER. Just Mister.

Senator HARDWICK. I thought you were major.

Mr. BOUVIER. I was, but I left all of my military glory when I fought with words, not with swords.

Senator HARDWICK. You are very nimble with words, and if you are equally nimble with swords it is a pity that we did not have you in France.

What I had in mind was this. And I am giving you the benefit of it, because I would like to hear Mr. Hare's view on this point. We are taking his views as a trusted officer of the Government, and we are entitled to his views. It is true that concretely the proposition was presented with billiard rooms, attendant rooms, and all sorts of accessories for attendants in a way. In that way it made this Speedway hospital provide for only 2,500 beds, but the point these gentlemen were making was that for the purpose of comparison, when you came to set these propositions one against the other, that if this Speedway hospital had a great deal of its space taken up in accessories and these others were held down to barracks and quarters almost, the floor space ought to be compared for the purpose of comparative cost, and that makes some impression on my mind. I thought it would on yours.

Mr. BOUVIER. May I suggest this, Senator?

Senator HARDWICK. I wondered if Mr. Hare had any views on this.

Mr. BOUVIER. I suppose we have had the full benefit of all his expressions when he said he had never considered it from a 4,000-bed standpoint. May I suggest an answer if it is worth anything?

Senator HARDWICK. It would be worth a great deal.

Mr. BOUVIER. The plans contemplated a superior hospital, which if carried out properly would involve the use of 2,500 beds. If improperly carried out, you might get 5,000 beds, but you would not be getting the character of a hospital that was desired.

Senator HARDWICK. But those other hospitals were getting the same thing if they had the same amount of floor space and were not given other accommodations because 4,000 beds were needed in equal floor space.

Mr. BOUVIER. That is very good, sir; but the answer to that is that they were paying upon a 2,500-bed proposition which amounted to a very considerable sum of money. If you converted it into a 4,000-bed proposition, you are taking advantage of the cost of 2,500 beds and utilizing it for 4,000 and you are not getting what you are paying for.

Senator HARDWICK. But you are getting 2,500 beds accommodations of a very superior character from what you do when you crowd in an equal space 4,000 beds instead of 2,500. Although it is the same floor space, one is more expensive than the other.

Mr. BOUVIER. I think a bed is a bed for all that. In a private hospital or here in a Washington home.

Senator HARDWICK. Very well.

Mr. BOUVIER. Now we will proceed if you are agreeable.

Senator HARDWICK. Yes.

Mr. BOUVIER. I think before the interpolation a moment ago I was asking you whether or not as a result of the examination of Senator France, whether you could recall the names of those whom Col. Starrett had interrogated when upon his mission that you sent him upon to Chicago. Have you refreshed your recollection from any source as to any names, if there were any names, of those whom Col. Starrett did interrogate upon the question?

Mr. HARE. I read Col. Starrett's report over again last night, and from that rereading, I remember that he mentioned in the report Mr. Felt, the regional director; Mr. Clark, who was an engineer of the Forest Reserve Commission, and a member of the Union League, Mr. Tenney, I think it was.

Senator HARDWICK. Did he call his name?

Mr. HARE. Yes. Mr. Schmidt, the architect, and one or two others.

Senator HARDWICK. What I had in mind in that connection was that he said in that report his authority for a number of statements made in it were the names of people who are not given but whose names he could furnish in a confidential way.

Mr. HARE. He gave certain names and he made that statement as well.

Mr. BOUVIER. Now Senator, you know that anything I say is not for the purpose of inviting any verbal conflict. I am vanquished before I begin. But I do, for the purpose of the record, offer in evidence a report of Col. Starrett to be examined by your honorable body under any circumstances of secrecy that you may deem proper, eliminating every opportunity for the public to get anything, but for the record I think it ought to go in.

Senator HARDWICK. We admitted it for that purpose, but not for the public record of the committee, because of the motives of propriety that originally animated Mr. Hare in making the suggestion. We still hold that, so far as I have been able to determine, I think, that the committee ought to be fully apprised of the contents of that report, and there will be no trouble about it. We will consider it in executive session, but some of the statements are so loose that we think it ought not to be made a part of the public records.

Mr. BOUVIER. I quite agree with that, sir, and I do not want to proffer any names or reputations, but if at the same time it was one of the animating causes or one of them, for action, I think, if you think it a good cause or a different cause, it is a cause operating in the witness's mind. Therefore he should have what if any benefit attaches to it.

Senator LENROOT. But let me call attention to the fact that Mr. Hare and Mr. Crowell have expressly declared upon the record that nothing in that had the slightest influence with them in their action as to the rejection.

Mr. BOUVIER. Beyond the statement that I think he made that it made him more cautious in his procedure.

Senator LENROOT. I understood that the first telegram caused you to investigate, but you say the final action was not based in any degree upon those observations?

Mr. HARE. That is true.

Senator HARDWICK. And in transmitting it—I say this for the record—Mr. Hare, you were acting for the assistant secretary?

Mr. HARE. I was, sir.

Mr. BOUVIER. I submitted the observation that I thought this report ought not to be spread on the record. I think we will all agree about the propriety of that, but I do want this suggestion in the record, that if it were not in the record you would not have a right to read it.

Senator HARDWICK. That would not be giving it to the reporter.

Mr. BOUVIER. I would not have you to give it to the reporter, or my infernal reputation to the reporter. But I do want you to have it before you so that I can advert to it and so that you may read it as a part of the testimony.

Senator HARDWICK. I think that every member of the committee has read it in full.

Mr. BOUVIER. And the telegram?

Senator HARDWICK. Yes. Besides that we felt that as long as we were going to consider it, the borders of propriety demanded that we permit counsel to be apprised of it, even if we did not make it a matter of public record.

Mr. ADCOCK. May counsel have copies of it to be treated in confidence in the same way. You permitted me to read it but I made no notes of it or anything of the kind with reference to it.

Senator HARDWICK. We will consider that.

Mr. ADCOCK. Simply for the purpose of use in argument.

Mr. BOUVIER. I think that closes that situation.

Senator HARDWICK. That is all right.

Mr. BOUVIER. Now you have also stated some relative figures in respect to prices per bed, you recall.

Mr. HARE. I do.

Mr. BOUVIER. And if my recollection serves me correctly the figures per bed for the Fort Sheridan and the Field Museum Hospital were \$700?

Mr. HARE. Fort Sheridan \$700 per bed and the Field Museum \$490 per bed.

Mr. BOUVIER. You did not make that calculation yourself, did you—did you or did you not?

Mr. HARE. No, the calculations were made either by the construction or operations.

Mr. BOUVIER. Then your answer is no; you did not make them.

Mr. HARE. In the final analysis I went over them because I lost that \$1,410. In order to be sure when the final statement was made that it was correct I took my pencil and made calculations.

Mr. BOUVIER. Did you get the figures from the Construction Division and did you rely upon them?

Mr. HARE. Certainly.

Mr. BOUVIER. The Construction Division were there for that purpose, were they not?

Mr. HARE. Absolutely, sir.

Mr. BOUVIER. Now did you make a memorandum, or we will signify it by report, if you please, under date of October 22?

Mr. HARE. I did, yes, to the Assistant Secretary of War.

Mr. BOUVIER. Have you got it accessible?

Mr. HARE. I turned that over to the stenographer yesterday. It October 22.

Mr. BOUVIER. I would like to have that spread upon the record.

Senator HARDWICK. Let me see it.

Mr. BOUVIER. I do not think it has any personal references.

Mr. BENNET. I join in the request. It ought to be a part of the record.

Senator HARDWICK. It is running up the expense of this thing.

Mr. ADCOCK. That is a memorandum as I understand it from Mr. Hare to the Secretary of War in regard to this whole proposition.

Senator HARDWICK. There are exhibits attached to it.

Mr. BENNET. I think Mr. Hare read all those yesterday.

Senator HARDWICK. You are just offering the list. It may be omitted.

(The statement referred to is here printed in the record as follows:)

OCTOBER 22, 1918.

Memorandum for the Assistant Secretary of War:

Early in June when Col. Billings and Gen. Noble were in Chicago, a real estate agent brought to their attention the Speedway Park as a possible site for a permanent hospital. Col. Billings states that at that time they did no more than look at it and recognize that it might be a suitable place for a hospital.

Nothing further was done in the matter until Mr. Hines and Mr. George H. Shank, a contractor, and with Mr. Hines, the owner of the property, decided to bring the matter formally before the attention of the War Department. Mr. Newman, Mr. Hines's attorney, asked Mr. D. W. Erskine, of Chicago, with whom he had business relations, to interest himself in the matter. Mr. Erskine thereupon called on the Secretary of War early in August and stated that Mr. Hines was prepared to erect a 2,500-bed permanent fireproof hospital for the Government on the Speedway Park site, and turn it over to the Government at a cost of \$1,000 a bed.

Mr. Erskine was referred by the Secretary of War to Dr. Keppel, who asked him to lay the matter before the Director of Operations, which Mr. Erskine accordingly did, Gen. Jervy stating that he would turn the matter over to the construction department and have the entire project looked into.

From that time on Mr. Erskine, Mr. Shank, and Mr. Newman, the attorney, Mr. Hines, were continuously in touch with the construction department. A detailed contract was worked out during the latter part of August, and signed by Mr. Shank, although it was clearly understood by him that no work should go forward until the entire project had the approval of the Secretary of War. This is most clearly stated in the statement signed by



Col. Shelby, which is attached hereto and marked "Exhibit A," and in the statement signed by Col. Wright, which is attached hereto and marked "Exhibit B."

It is proper to state, however, that as a result of Mr. Erskine's representation an atmosphere was created in the minds of the officers of the Construction Division at work on the project, and in the minds of the officers of the Surgeon General's division interested in the project that the entire matter had been approved in principle by the Secretary of War, and that it was merely a question of working out the details by the Medical Department and the Construction Division.

The Medical Department was at that time exceedingly anxious to have its general program approved for the procurement of approximately 10,000 beds in Chicago and the immediate vicinity, and it recognized that here was an opportunity to secure a permanent fireproof hospital with a capacity of 2,500 beds at a price of \$1,000 a bed, which was considerable less than the Government could build such construction for at that time, a figure of \$1,500 per bed having been given by the Construction Department as the approximate figure at which such construction could be completed by the Government at that time.

On August 30 or 31, Mr. Erskine asked Col. Wright of the Construction Division to go with him to the Secretary of War's office and see whether or not it was possible to secure an informal approval of the contract in advance of clearance by the War Industries Board. Col. Wright assented, and went with Mr. Erskine to the Secretary of War's office, but they were unable to see the Secretary, as he was leaving that day, or had left the day before, for France.

Mr. Erskine then went to the office of the Director of Operations where he was told that the papers had not been received from the construction department and that when they were received they would have to take the regular course through military channels. It will be noted from Col. Wright's statement on page 4, however, that Mr. Erskine went to his office on the 31st of August and asked him if it would be safe for them to go ahead with the project. Col. Wright told Mr. Erskine that if he did go ahead it was entirely at his own risk. A day or two later Mr. Erskine informed Col. Wright that he had decided to go ahead with the project and that if it were not finally approved, he and Mr. Shank would split the expense incurred "fifty-fifty."

Mr. Erskine about this time also had a conversation with Gen. Noble when he told him that the contractor was going to start work on the hospital. Gen. Noble told Mr. Erskine that he was taking a long chance. Work, however, was begun about September 3.

Mr. Shank, the contractor, needed priorities for his materials and asked Mr. Schmidt, who had been designated as the prospective supervising architect by the construction division and who was on the ground supervising the work (a purely protective measure on the part of the construction division so that if the project were approved at a latter date they would have had a representative on the ground from the time the work started) to secure priorities for him. Mr. Schmidt states that he informed Mr. Shank that no priorities could be obtained until after the approval of the contract by the Secretary of War. Mr. Shank then directed Mr. Foster, of his organization, to wire the construction division asking for priorities on the material. The following telegram was sent:

"Col. C. C. WRIGHT.

"*Cantonment Division, Seventh and B Streets, Washington.*

"We are proceeding with work on hospital as ordered, much delayed by lack of material. Must have priority order at once. Wire.

"SHANK Co."

On September 11, Col. Gunby, acting chief of the construction division, replied as follows:

"SEPTEMBER 11, 1918.

"The SHANK Co.,

"*Chicago, Ill.*

"Reference telegram September 10. This office has ordered no construction work in connection with hospital at Chicago. This matter has been taken up verbally with Mr. Erskine who will wire in reference to same.

"MARSHALL,

"*Chief of Construction Division.*"

You will note in Mr. Shank's examination, which is attached hereto and marked "Exhibit C," on page 6, he states that when he was informed of Col. Ambly's reply to his telegram he did not do anything about it, that the telegram made no impression on him at that time.

All of the foregoing information was secured by me after the project had first come to my attention, which was on September 18, at 4.45 p. m., when the papers were brought to my desk by Col. Kellond, of the operations division, and J. Dickinson, with the request that I immediately take the matter up with the Acting Secretary of War and have the project passed as it was an urgent necessity.

I had scarcely begun to examine the papers before I was informed by the Acting Secretary of War that work had already been started and materials moved to the ground without first having secured clearance from the War Industries Board. It was explained, however, that the contractor did this entirely on his own responsibility and that the War Department did not acquiesce either in the starting of the work or in the procurement of materials. The papers as they were brought to me called for a total expenditure for the 500-bed hospital of \$3,410,000, or at the rate of \$1,364 per bed, and not for \$500,000, or at the rate of \$1,000 per bed, as the original project brought to the attention of the Secretary of War by Mr. Erskine called for. The reason for the increase in price was due to the fact that the construction department upon looking into the project found it necessary, in addition to the main hospital building which was to be erected for \$2,500,000, to erect nurses' quarters and other quarters for the personnel, which brought the price up to \$3,410,000.

Following the advice of the Acting Secretary of War, I started an investigation of all the various matters which in any way related to the Speedway hospital project, and from that time on was constantly being interviewed by Mr. Erskine, Mr. Hines, and finally by Mr. Shank in an effort to have some decision reached in the matter.

On September 19 the commission headed by Gen. Noble started on its tour of the Middle West in an effort to secure hospital beds through the leasing of whatever buildings might be suitable and the erection of temporary structures where leasing could not be had. It had been decided that in view of the great difficulty encountered in securing materials for all the necessary projects of the War Department that it was undesirable to erect permanent hospital buildings so long as the main object to be gained was the procurement of a sufficient number of beds to take care of our wounded soldiers for the duration of the war and a reasonable period thereafter.

As a result of this investigation on the part of Gen. Noble, it was quickly ascertained that it was possible to erect a temporary hospital on the Government reservation at Fort Sheridan and through the use of existing buildings secure beds for approximately 4,000 patients at a cost of approximately \$710 per bed. It was further found that the Field Columbian Museum could be secured and another 4,000 beds erected there at a total cost of approximately \$750,000, or \$437 per bed.

In telephone conversation with Gen. Noble, who was then in Chicago, I asked him, with the various propositions before him, which of the various sites under consideration did he prefer, and what would be the order of his preference. Gen. Noble stated that in view of the fact that Fort Sheridan had already been selected, his choice would be the Field Columbian Museum, and that he would be equally satisfied for second choice between the Speedway Park proposition and the Marquette Park proposition, the latter being one of the South Chicago parks, which was also under consideration for the erection of a temporary hospital.

On Thursday, September 26, the Fort Sheridan project was approved by the Acting Secretary of War and the Speedway Park project disapproved, and on Friday, September 27, a letter was received from Mr. Shank, the contractor, which is hereto attached and marked "Exhibit D," stating that in view of the fact that he had been proceeding under Government authority, he did not understand why the project had been stopped. Mr. Shank was informed that Government authority had been given to the enterprise, and on October 1 Messrs. Hines, Newman, and Shank appeared in my office and signed the attached statements, which are attached hereto and marked "Exhibit E," and which are self-explanatory.

They also gave me a statement which had been prepared by Mr. Newman for Mr. Shank's signature, entitled "History of the Speedway Park hospital project," which is attached hereto and marked "Exhibit F."

As a result of the many misstatements contained in this article, it was deemed advisable to have Mr. Dorr cross-examine Mr. Newman and Mr. Shank, and you will note from the examination of Mr. Newman—attached hereto and marked "Exhibit G,"—that on page 3 he states that the statement that he had been reliably informed that the draft of the contract had been submitted to Mr. Hare and gone over very critically by him with Maj. A. A. O'Brien about four weeks before the entire project was disapproved was merely an inference, and later in the same examination. (Exhibit G) Mr. Newman states: "I may be entirely wrong. How I got the impression I do not know"; and, in fact, a careful perusal of Mr. Newman's examination will, I think, tend to throw doubt upon the accuracy of a large part of the statement which Mr. Newman prepared for Mr. Shank's signature.

Bearing on this entire matter is the statement of Maj. A. A. O'Brien attached hereto and marked "Exhibit H."

These various statements indicate, I think, very clearly that it was necessary for the Construction Division to proceed as far as it did in the general consideration of the project before it was in a position to forward its recommendation to the Director of Operations, and in view of the fact that Mr. Erskine informed me personally that the project had been undertaken on his (Mr. Erskine's) direct responsibility, and that he made the same statement to Gen. Noble. I do not feel that the Government is under any moral obligation to change its attitude as to the project.

However, upon the suggestion of the Assistant Secretary of War I told Mr. Shank that if he cared to offer any further proposition in connection with the hospital at Speedway Park it would receive consideration on its merits.

At various times from September 20 to October 10, I was called upon by Senator Lewis, Congressman McAndrews, Congressman Madden, Mr. Erskine, and Mr. Hines. Mr. Erskine also interviewed Dr. Keppel in an effort to secure his cooperation in having the entire project reconsidered. Mr. Creel was also appealed to by Mr. Erskine and came in to see me, stating that he hoped we would do what we could in the matter as Mr. Erskine was a personal friend of his (Mr. Creel).

In view of the fact that the department is every day considering and passing upon vastly larger projects than the suggested hospital at Speedway Park, Chicago, and that in no instance have any of the projects which have been brought to my attention been considered other than from a business standpoint, it seems extraordinary that it should be necessary in a project of this character to have so much pressure brought to bear upon the Department from every angle.

As the result of giving Mr. Shank and Mr. Hines an opportunity to reconsider the entire project, on October 12 a new proposition was submitted, which is attached hereto and marked "Exhibit I," which cuts the original cost of the 2,500 bed hospital complete from \$3,410,000 to \$3,253,475. Col. Wright explains that the reason this proposition is lower than the former proposition is due to the fact that Mr. Shank has not included a sum for contingencies which it is the practice for the Construction Department to include. The new project, however, has a repurchase clause which states that at any time during the next five years, the Shank Co. will be willing to repurchase the hospital ground, etc., for \$1,296,211, and will deposit this sum in liberty bonds with the Continental and Commercial National Bank of Chicago as a guaranty.

On Saturday, October 19, Mr. Hines called upon me and wanted to know if he could not have this project accepted at once as he was being urged to subscribe to liberty bonds and had informed his Chicago friends that if he could put this deal through he would subscribe to the extent of \$1,296,211. I told him that the proposition had not been received from the Director of Operations and that any subscriptions which he cared to make for liberty bonds would have to be a personal one and not based in any way upon what action the Government might or might not take in connection with the proposed hospital.

If this last proposal of the Shank Co. is accepted it would mean that the Government would secure a fireproof hospital of 2,500 beds capacity at a cost per bed of \$1,304; or if the repurchase clause is accepted, at a cost of \$782.90 per bed.

I am informed by Col. Wright that a later investigation at Fort Sheridan discloses the fact that they will be able to accommodate approximately 3,000

at that point at a cost of approximately \$700 per bed, and that while this largely be temporary construction, the life of this temporary construction be considered fairly as of 10 years' duration.

Furthermore as a result of Gen. Noble's investigation in Chicago, it has been possible to secure the Field Columbia Museum, which is capable of 4,000 beds at a total cost of \$1,750,000 for the duration of the war and reasonable period thereafter, or at a cost of \$437.50 per bed. This under of October 15 was approved by Gen. Jervy and informally approved by Assistant Secretary of War.

Dickinson, under date of October 19, however, writes the attached memorandum, marked "Exhibit J," to Gen. Jervy recommending the disavowal of the Field Museum building and the approval of the Speedway Hotel site. Col. Dickinson says that his reason for his change of opinion as to the Field Museum is due to the fact that its cost is more than he has estimated and furthermore that being situated on the lake front it will be a colder site in winter than the Speedway Park and furthermore it had not the space around it for the use of convalescing patients that the Speedway Park project has.

It must be remembered that the leading Chicago hotels are on the lake and that many of the residences of the prominent citizens of Chicago are on the lake front. They tell me that they do not suffer from the cold winds on the lake during the winter and the convenience of the Field Columbia Museum from a railroad standpoint and from the standpoint of the families of men who would be quartered there is, of course, greater than if the hospital were placed at Speedway Park.

The entire hospital bed requirement are undergoing revision at this time and the original number of beds required by the Surgeon General's Department for Chicago and the immediate vicinity were originally estimated at 8,500, this figure has now been reduced and it is considered that 8,500 beds are ample. We are now sure of 5,000 beds at Fort Sheridan at a cost per bed of approximately \$700. We have rented the Cooper Monntah Hotel at a cost of \$52,000 per year with the privilege of renewing the lease at the same rate from year to year, where we have space for 500 beds at a cost per bed of \$86.66.

We are therefore still in need of 2,900 beds in accordance with the revised estimate of the Surgeon General's requirements; 2,500 of these beds can be secured at Speedway Park under the revised offer of the George H. Shank Co., including the repurchase clause at \$782.90 per bed, or they can be secured at the Field Columbia Museum, together with 1,100 additional beds for a margin of 1,400, at a cost of \$437.50 per bed.

The following data brings the cost per bed of the various projects up to date:

	Number of beds.	Amount.	Cost per bed.
Speedway Park:			
Final project.....	2,500	\$3,410,300.00	\$1,364.00
Proposition, omitting repurchase clause.....	2,500	3,253,475.00	1,301.00
Proposition, including repurchase clause.....	2,500	1,987,364.99	792.90
Field Columbia Museum.....	4,000	1,750,000.00	437.50
Fort Sheridan, accepted and under construction.....	5,000	3,500,000.00	700.00
Cooper Monntah Hotel, accepted.....	500	52,000.00	86.66

C. W. HARE.

. BOUVIER. Then there was a memorandum to Secretary Crowell October 24.

. HARE. There was.

. BOUVIER. Have you that accessible?

. HARE. Yes. A memorandum to Assistant Secretary of War October 25: "Memorandum for Gen. Jervy."

. BOUVIER. I would like to offer that in evidence.

. BENNET. The only correction I would like to make is that the static copy is dated October 24. I think that is correct.

Mr. HARE. This is dated October 25. I am not prepared to answer which is correct.

Mr. ADCOCK. The Statesbury report is dated October 24.

Senator HARDWICK. Is the date material?

Mr. BENNET. Except that it throws out everybody's testimony.

Mr. HARE. That could be easily determined from the original record. I do not see that there is any difference.

Mr. BENNET. Except that it raises a point as to whether there was one or two memoranda.

Mr. HARE. There was only one.

Senator HARDWICK. Put it in with your statement that the date may be October 24.

Mr. HARE. I am reading from what I understood was a copy of the original.

Senator LENROOT. That would be the best evidence, the photostatic copy of the original.

Mr. BOUVIER. With the exception of the date I am perfectly prepared to accept this. Will you follow as I read this? It is very short and we will see.

(The two copies of the report were compared.)

Senator HARDWICK. Has that gone into the record?

Mr. BENNET. No, sir.

Mr. ADCOCK. It is in in connection with the Statesbury report.

Senator HARDWICK. That is all in the record as part of the Statesbury report.

Mr. BOUVIER. I do not want it in as a part of any report which I regard as adverse to our position. I would rather have it in as a separate and independent report. I do not want to pick it out of somebody else's report.

Senator HARDWICK. Well, let it go in.

(The report referred to is here printed in the record as follows:)

OCTOBER 25, 1918.

Memorandum for Gen. Jervey:

The following is the final settlement of the matter providing hospitals in the city of Chicago.

The following projects have been submitted and carefully considered:

1. Fort Sheridan, 5,000 beds at an estimated cost of \$700 per bed. This project has been approved by me.

2. Field Museum, 4,000 beds at an estimated cost of \$437.50 per bed. Under instructions this contract has been signed and the project is now finally approved by me.

3. The Cooper Monotah Hotel has been accepted, with 600 beds at a rental of \$52,000 per annum, or a cost per bed of \$86.66, and is hereby approved.

This gives us a total of 9,600 beds in Chicago, which is more than sufficient for our needs.

The Speedway project as first submitted involved an estimated cost per bed of \$1,304, but a revised proposition places the cost per bed at \$1,304. The repurchase clause brings the cost per bed down to \$782.90. This Speedway Park project is hereby definitely and finally disapproved.

B. CROWELL, *The Assistant Secretary of War.*

Mr. BOUVIER. I think that is all, sir.

Senator HARDWICK. Gentlemen, if there are any further questions that anybody wants to ask, I hope you will be strictly, as we lawyers say, in rebuttal. We do not want to reopen things generally.

Mr. BENNET. May I ask one or two questions strictly in rebuttal? Did you ever see a letter of October 26, 1918, addressed to the Sec-

etary of War, in which the statement is made in relation to the 1,000 beds?

Mr. HARE. I never did; no.

Mr. BENNET. Do you know whose attention that was brought to?

Mr. BOUVIER. Is it established that there is such a letter in your files?

Mr. HARE. I do not know.

Mr. BENNET. In the natural course of events a letter like that would go to you?

Mr. HARE. After Mr. Crowell's disapproval on the 24th of October I had no information as to what was done by the Assistant Secretary of War.

Mr. BENNET. You were not aware until to-day that two days after this disapproval Mr. Hines submitted a memorandum in writing in which he alluded to 4,000 beds?

Senator HARDWICK. He said he didn't know about it.

Mr. HARE. I did not know.

Mr. BENNET. Of course you have not read the record. You are not familiar with the fact that Mr. Shank testified that he was a little hard of hearing?

Mr. HARE. No; I have not read the record.

Mr. BENNET. I understand that you indorse in every way Maj. Arthur A. O'Brien as an honorable man and a good officer.

Mr. HARE. From what knowledge I have of him from the War Department, I do.

Mr. BENNET. On the 30th of September, when this memorandum signed by Shank was substituted, from which you read, at the time it was presented to you by Mr. Hines, he was endeavoring to have this matter reopened and permission to put in a further bid in relation to the project of \$3,410,000, in relation to which a contract had been signed?

Mr. BOUVIER. Is that not asking for the operation of another man's mind—what somebody else was trying to do? It certainly involves the idea of opinion.

Senator HARDWICK. Yes; but we have not held anybody down strictly.

Mr. BENNET. The witness brought out what he assumed to be an attempt to establish a basis for moral obligation. I want to demonstrate that we are trying to show that when Mr. Hines's original memorandum was submitted, September 30th—

Senator HARDWICK. The Speedway project statement?

Mr. BENNET. This long statement of September 30, which he presented to you on October 1, the purpose of Mr. Hines's visit as you gained it from the conversation was to reopen the Speedway project, so that they could put in a further bid, and you sent them to Col. Wright?

Mr. HARE. His object was to discuss the whole thing.

Mr. BENNET. Not with particular reference to any moral obligation?

Mr. HARE. I could not say what idea was in his mind.

Senator HARDWICK. The witness has already testified that Mr. Hines came in about that time and wanted to make a supplemental proposition, and he sent him to Col. Wright.

Mr. HARE. Yes.

Mr. BENNET. And at that conference of October 1, as you sat around your table in the room, did Mr. Jarvis Hunt come into the room and call you out for a conference with him?

Mr. HARE. No, Jarvis Hunt was coming around there all the time to try to get his plans for a hospital adopted, that he was interested in, approved by the War Department, instead of the plans that the Construction Division were operating under, and he came several times and sometimes if I was busy I would come out.

Mr. BENNET. My recollection is that you had never seen Mr. Hunt but once.

Mr. HARE. You are wrong about that.

Mr. BENNET. That was some time in September that you saw him frequently?

Mr. HARE. I saw him on several days.

Senator FRANCE. I would like to ask the witness one or two questions, not as bearing directly upon this question, but upon the general subject which we have under investigation. I understand that as assistant to the Assistant Secretary of War, you, in a general way, had charge of the passing upon hospital sites, whether those sites were to be selected and accepted by lease or building. Is that true?

Mr. HARE. Not exactly in that way. When W. G. Blagden went to Chicago I went to a training camp on the 1st of September, Mr. Crowell asked me, in addition to my duties as chairman of this national committee, to handle construction projects when construction projects passed through my hands, before they came to him.

Senator FRANCE. But is it not true that in order to pass intelligently upon the question of new construction, it was necessary for you to have in a general way a knowledge of the possible needs and of the facilities which could be secured to meet those needs, both by lease and by new construction?

Mr. HARE. May I answer that in this way, that I understood the responsibilities of that part of my work to be, my responsibilities consisting in getting all the information that I could under the circumstances that bore on the subject which I was trying to arrive at a conclusion in.

Senator FRANCE. That is a fairly comprehensive answer. Did you have under your general supervision the question of leasing the properties then, I mean as assistant to the Assistant Secretary of War?

Mr. HARE. Papers asking for leases passed through my hands for his approval.

Senator FRANCE. An instance of that being the Field Museum lease?

Mr. HARE. Yes.

Senator FRANCE. Now, did any lease in New York come to your notice, or any question of passing upon any lease in New York?

Mr. HARE. I do not remember at that time. Several leases have come through recently in regard to getting warehouses.

Senator FRANCE. Did you or did you not, directly or indirectly, as representing the War Department, approve of the lease of the Greenhut store, a big store project in New York City?

Mr. HARE. No.

Senator FRANCE. You knew nothing about it?

Mr. HARE. I remember hearing of the Greenhut store proposition, but I have no recollection of those papers coming before me.

Senator FRANCE. But in passing upon this project you were passing upon it with this general purpose in mind to furnish safe hospital facilities with a minimum cost. Is that not true?

Mr. HARE. And other reasons in addition.

Senator FRANCE. But those were the three first factors, safety, convenience, and comfort, maximum speed and minimum cost.

Mr. HARE. And emergency construction under orders from the Secretary of War.

Senator FRANCE. You did not feel it incumbent upon you in connection with the determination of the question of economy to look into the matter of leases in New York which were subject to cancellation, which might have been canceled providing cheaper facilities and better facilities could be obtained?

Mr. BOUVIER. May I interrupt, with your kind permission. I am not aware that he said he had anything to do with leases in New York.

Senator FRANCE. I am asking him a question, and I am asking this question, and if I do not make it clear I will state it again. In connection with your duties now I will ask you this question. Did you not represent the Assistant Secretary of War, and did he not represent the Secretary of War in a general way?

Mr. HARE. The great distinction was that he had authority and I had not.

Senator FRANCE. But the testimony shows that the Secretary relied upon you to a large extent to pass upon the question as to whether, if the construction work should be undertaken, that question of course necessarily being decided by the facilities available for hospital purposes, and the question of time and cost also entered in.

Mr. HARE. Yes.

Senator FRANCE. You had to pass upon the question as to whether new construction was needed, in a general way, did you not?

Mr. HARE. I had to consider these various construction problems as they came before me and discuss them with the Assistant Secretary of War.

Senator FRANCE. But in connection with the permanent hospitals, did you deem it to be your duty to inquire into whether a lease in New York City could be made more favorable to the Government?

Mr. HARE. It would be my duty to inquire into any question that came before me. I do not recall this lease in New York that you are speaking of.

Senator FRANCE. Did you know that the Government had leased the Greenhut store for a rental of \$25,000 a month?

Mr. HARE. I did not know that.

Senator FRANCE. You had nothing to do with it whatever?

Mr. HARE. I had nothing whatever to do with it.

Senator FRANCE. You do not know who made that lease for the Government?

Mr. HARE. I presume it was made; we had authority.

Senator FRANCE. Did you know that the Greenhut store was being used as a Government hospital?



Mr. HARE. Yes, I have heard that since.

Senator FRANCE. You did not know it?

Mr. HARE. I could not tell you when I learned of it.

Senator FRANCE. You did not know it at the time you were considering the advisability of going ahead with the Speedway project?

Mr. HARE. I do not know.

Senator FRANCE. Well, is not that a material fact to be considered in determining whether new hospitals should be built, the fact that the Government was under a rental of \$300,000 a year for a property which was said to be not fireproof, right in the very heart of New York?

Mr. HARE. I can not understand.

Mr. BENNET. Is it not something to be considered in passing upon the general cost of appraising hospital facilities?

Mr. HARE. I was not passing on any such question. I was passing upon the immediate problem of getting 10,000 beds in Chicago.

Senator FRANCE. And while you were passing upon that question you did not feel it incumbent upon you to make any particular survey of the facilities at hand, or to see whether new construction might not make possible a cancellation of leases which were perhaps too unfavorable to the Government which involved a larger cost than was being involved in the furnishing of facilities under new construction.

Mr. HARE. Such an examination was undertaken as I understood it by the Surgeon General's Department, but I had no personal knowledge of it.

Senator FRANCE. Is it fair to assume that the investigation of the Surgeon General's Department making a survey of the whole field would take into consideration the question of canceling a lease like that of the Greenhut store after the new construction had been completed which would make that cancellation possible?

Mr. HARE. I have no means of knowing.

Senator FRANCE. Is it not reasonable to suppose that the recommendations by the Surgeon General's department for new construction would be made after that department had looked into the facilities and the cost of the facilities already at hand?

Mr. HARE. I do not know. That was entirely up to them. I had nothing whatever to do with that.

Senator FRANCE. You do not care to express any opinion?

Mr. HARE. I do not know what processes of mind they were going through.

Senator HARDWICK. What time did you come to Washington?

Mr. HARE. I came to Washington and took up my office on August 1st.

Senator HARDWICK. What is your age?

Mr. HARE. Forty-seven.

Senator FRANCE. Can you, as having this general matter in charge, put us in touch with the bodies who had closed that lease for the big store property ordinarily known as the Greenhut store property.

Mr. HARE. I will report to Mr. Crowell, and he told me to say that anything that you gentlemen want he would see that you got.

Senator FRANCE. We are looking into the question, we are not making charges at all, but it has seemed to us, at least to me person-

ally, offhand, that if the Greenhut store property, an old nonfire-proof property, in the very heart of New York, had been leased for \$300,000—I think that is the figure, offhand—it seemed to me that that was rather a stiff rental, being 6 per cent on \$5,000,000.

Senator HARDWICK. I happen to recall from the record that they had a commission, one in the East and one in the West, operating on this leasing proposition.

Mr. HOLDEN. Senator France, that Greenhut store lease was made in May before our department was set up, and it was for a debarkation hospital, I think that was, for soldiers.

Senator HARDWICK. What branch of the War Department?

Mr. HOLDEN. The lease was made by the Surgeon General's Department before our department was set up to control the question of leases.

Senator LENROOT. Are you positive of that?

Mr. HARE. Absolutely.

Senator LENROOT. It has appeared in the testimony that Mr. Trainer—

Mr. HARE. That was the Grand Central Palace.

Senator FRANCE. Is the Greenhut store a fireproof building?

Mr. HOLDEN. I am told that it is a slow burning construction and not fireproof.

Senator LENROOT. You testified this morning that you knew that the reconstruction of old buildings at Fort Sheridan would provide 2,000 beds?

Mr. HARE. Approximately 2,000.

Senator LENROOT. And to secure 5,000 beds it would involve the construction of buildings for 3,000 beds?

Mr. HARE. Yes.

Senator LENROOT. And I think you have already testified that in passing upon this question you gave no consideration to the relative advantages to the Government of securing 2,500 beds from the Speedway hospital and 2,500 beds of new construction at Fort Sheridan?

Mr. HARE. I was giving you the processes of my mind.

Senator LENROOT. You said you considered it as a whole, and gave no consideration to the division of the Fort Sheridan project?

Mr. HARE. I gave no consideration to that. I considered the 5,000 beds at Fort Sheridan an emergency construction as a better proposition for the Government.

Senator LENROOT. On emergency construction you do not wish us to believe that you would give preference to emergency construction if emergency construction cost more than permanent construction?

Senator HARDWICK. And would not be any faster?

Senator LENROOT. And would not be completed any sooner?

Mr. HARE. I want to give you this impression, that we were at war and we were trying to do everything in a hurry. If I could get emergency construction that would give us 5,000 beds at a cost of \$700 a bed, it appealed to me as a much better proposition than a permanent hospital.

Senator LENROOT. Assuming that 2,000 beds could have been provided at Fort Sheridan by reconstruction of the old buildings, and the Speedway proposition could have been built at a less cost to the Government than the 3,000 new beds at Fort Sheridan, would you

have considered the Fort Sheridan emergency construction preferable?

Mr. HARE. I had nothing before me.

Senator HARDWICK. He has asked you a hypothetical question.

Mr. HARE. I can not answer that; I would have to study the two propositions.

Senator LENROOT. Why can you not? You said that it required 3,000 new beds at Fort Sheridan.

Mr. HARE. I suppose if somebody had said "I can put up a fireproof building for the same amount or less than somebody else wanted for emergency hospitals," I should have accepted what was fireproof as an emergency.

Senator FRANCE. Now, you qualify that "If the situation were the same." You mean by that if the personnel of the contractors in each case were satisfactory to you?

Mr. HARE. Leave that out. That was not what I had in mind.

Senator FRANCE. You said "If the situation were the same."

Mr. HARE. So far as the land and surrounding country and the climate.

Senator LENROOT. Let me ask you this. Assuming that the new beds at Fort Sheridan cost \$1,100 and on the modified project 2,500 beds could have been secured for \$792, which project would you have favored?

Mr. HARE. If—

Senator LENROOT. That is my question.

Mr. HARE. I should still under those conditions have favored the Fort Sheridan hospital.

Senator LENROOT. That is all.

Mr. ADCOCK. Just one question. I have been very quiet this morning. Now, I want to know whether Jarvis Hunt said anything about the Speedway, or said anything derogatory to the Speedway.

Mr. HARE. He never said anything derogatory about it. He said there were several other parks that would make good sites.

Mr. ADCOCK. He was referring to public parks?

Mr. HARE. Yes.

Mr. BOUVIER. I desire to ask permission to put into the record a memorandum for Maj. Stotesbury of Inspector General Chamberlain of October 31.

Senator HARDWICK. No objection.

(The memorandum referred to is here printed in the record as follows:)

WAR DEPARTMENT,  
OFFICE OF THE INSPECTOR GENERAL,  
Washington, D. C., October 31, 1919.

MEMORANDUM FOR MAJ. L. W. STOTESBURY, INSPECTOR GENERAL.

In conversation with the Secretary of War this date, he informed me as follows:

First; that upon the occasion of the first visit to his office of Mr. Creel and Mr. Erskine relative to the Speedway Hospital project, he referred these gentlemen to the Third Asst. Secretary of War, and that he gave instructions that the project should be fully looked into, but that he said nothing which could rightfully have been interpreted as an expression of opinion as to its merit.

Second; he informed me that this investigation in no sense operated to nullify the action of the Assistant Secretary of War as announced in his memorandum dated October 24th, and that such action held good unless ap-

cifically changed; that any work which may be done in connection with this project will be entirely without the authority of the War Department.

J. L. CHAMBERLAIN,  
*Inspector General.*

(Thereupon at 1 o'clock p. m. the subcommittee took a recess until 2 o'clock p. m.)

AFTERNOON SESSION.

The subcommittee met at 2:15 o'clock p. m., pursuant to the taking of recess.

TESTIMONY OF MR. JACOB NEWMAN—Resumed.

Mr. BENNET. I can probably save about half an hour's cross-examination. The witness wants to change some of his testimony. He does not think he was correctly quoted.

Senator HARDWICK. You mean he wants to revise his testimony. Suppose you let him do that.

Mr. BENNET. Mr. Newman, I will call your attention to the testimony on pages 470 to 471 of the hearing, and I will read you a few questions. [Reading:]

Mr. ADCOCK. Then you did not understand that Mr. Hodge, was asking for any commission, did you?

Mr. NEWMAN. Yes; I thought they both were asking for it.

Mr. ADCOCK. All three?

Mr. NEWMAN. You are including Clark?

Mr. ADCOCK. Yes.

Mr. NEWMAN. No; Clark did not ask for any commission, except on the second visit. I do not recall anything about compensation.

That testimony assumes that you thought that Mr. Hodge was claiming compensation or commission. Do you wish to let this testimony stand unchanged?

Mr. NEWMAN. If I was correctly reported, that is an erroneous statement. Mr. Hodge did not ask me at what I have designated as the commission meeting, held between June 27 and July 2—Mr. Hodge did not ask for any commission.

Mr. BENNET. Did he ask for any commission at any time around those dates?

Mr. NEWMAN. Never asked me.

Mr. BENNET. That is all.

Senator HARDWICK. All right, Mr. Adcock. My recollection is that the statement was made here, outside this testimony, though probably I had been given an incorrect impression, that if any commission with relation to Mr. Hodge was referred to, it was some commission that they might have offered at a previous time for the sale of this property before.

Mr. ADCOCK. I thought Mr. Newman understood it clearly.

Senator HARDWICK. I think I heard somebody make that statement.

Mr. NEWMAN. My information, Mr. Chairman, on that subject is this, Mr. Hodge had been employed since December, 1917.

Senator HARDWICK. Just a minute. Was there not a conversation at which it was mentioned that Hodge was to get \$50,000 if he made a sale?

Mr. NEWMAN. I do not know the amount.

Mr. BENNET. You are quite correct about that.

Mr. NEWMAN. And that Mr. Hodge, three or four months before he ever entered the service of the Government, came to Washington.

Mr. BENNET. He did not have any transaction with the Government at all?

Mr. NEWMAN. None whatever.

Senator HARDWICK. That is as Mr. Shank testified.

Mr. NEWMAN. It is possible that I made that remark as it is written in the record. I may have had that thing in my mind. Personally, I do not recall making the statement as it appear in the record.

Senator HARDWICK. I expect you did, but probably you had this other matter in mind. These reporters are pretty accurate.

Senator LENROOT. I think I remember you making the statement as it appears in the record.

Mr. NEWMAN. It was just at the close and I do not recall it.

Mr. ADCOCK. Mr. Newman, did you ever see that paper [showing witness paper]? Will you look it over, Mr. Newman, and refresh your recollection? The paper was in your hands last about September 10, at 211 Hotel Raleigh, was it not—the evening of September 10, about 7 o'clock?

Mr. NEWMAN. I will try to see if there is anything in the document that brings it back to me.

Mr. ADCOCK. Do you know the handwirting of the interlineations?

Mr. NEWMAN. No, sir; I do not know.

Mr. ADCOCK. Was that prepared on your typewriter?

Mr. NEWMAN. I do not know. The handwriting on pages 1 and 2—I have gone no further—and I can not recall the document. There is not anything in it that refreshes my recollection that I drew it.

Senator HARDWICK. You say you did draw it?

Mr. NEWMAN. There is nothing in that that refreshes my recollection that I drew it. There is nothing in the paper that recalls back that I drew the document.

Senator HARDWICK. Is it a fact that you drew it?

Mr. NEWMAN. I have no recollection.

Mr. ADCOCK. Did you not draw that paper, Mr. Newman, at your home when you were sick prior to that in Chicago? I am not asking you—I am asking as to the portion of the paper above the words "Tuesday, September 10, 1918, 7 p. m. This p. m. this paper was given to me by Jacob Newman and A. D. Erskine in Room 211, Hotel Raleigh, to do with as I saw fit. (Initials) S. H. H."

Mr. NEWMAN. I have no recollection of the document at all.

Mr. ADCOCK. You have no recollection of ever giving this paper to Mr. Hodge at your room in the Raleigh Hotel about 7 o'clock September 10?

Mr. NEWMAN. I have not.

Mr. ADCOCK. I will show you another paper, a part of which was given to Mr. Hodge on that same evening by Mr. Erskine, and ask if that helps in any way to recall or refresh your recollection! [Witness is shown a paper.]

Mr. NEWMAN. I can not recall that document.

Mr. ADCOCK. Do you recall—maybe I can refresh your recollection by asking a few questions. Do you recall the conversation you had with Mr. Hodge on September 10, at your room in the Raleigh Hotel in Washington?

Mr. NEWMAN. I can not recall the date. Mr. Erskine brought Mr. Hodge to my room at the Raleigh Hotel, I think, some time in September, 1918.

Mr. ADCOCK. That is the early part of September?

Mr. NEWMAN. Yes. I will not say the early part. I can not say finitely. I have no means of fixing the date.

Mr. ADCOCK. Do you recall a meeting of the Speedway interests prior to the time that you came down to Washington?

Mr. NEWMAN. What date?

Mr. ADCOCK. Shortly prior to September 10, or the time that you saw Mr. Hodge in the Raleigh Hotel.

Mr. NEWMAN. Oh, we had innumerable conferences in Chicago.

Mr. ADCOCK. Between August 31 and September 10?

Mr. NEWMAN. I can not fix September 10. I returned from Washington to Chicago either the 1st or 2d of September and remained in Chicago until I returned to the Raleigh Hotel. The register of that hotel will undoubtedly fix the day I got here. I can not recall the day myself.

Mr. ADCOCK. Do you remember a conversation with Mr. Hodge on any occasion at the time this paper that I first handed you, and out of which I asked you, in regard to the insistence of Mr. Shank at Mr. Hodge be compensated for any service that he had rendered on the subject?

Mr. NEWMAN. Will you please read the question.

(The question was read by the stenographer.)

As I said I have no recollection of that document. It is true that Mr. Hodge came to my hotel. He was brought there, as I recall it, by Mr. Erskine, and such subjects were discussed.

Mr. ADCOCK. Do you remember that subject, the one to which I refer in that question, any subject of commissions?

Mr. NEWMAN. The subject of commissions was discussed.

Mr. ADCOCK. Well, now will you state the conversation as nearly as you recall it?

Mr. NEWMAN. I do not think—I will say to the gentlemen of the committee that without Mr. Hodge's consent, unless the committee insists, I ought not to tell that conversation.

Senator HARDWICK. I think you ought. You were not his counsel.

Mr. NEWMAN. No.

Mr. ADCOCK. As I understand, in asking this question there is no mention of reflecting upon Mr. Hodge at all, and if the conversation is told as I understand it to be there is no reflection on Mr. Hodge.

Senator HARDWICK. Whether there is or is not, we want the facts. Was Mr. Hodge then in the employ of the Government?

Mr. NEWMAN. I so understood, but I have no personal knowledge.

Senator FRANCE. Does the record show that?

Senator HARDWICK. Yes, the real estate division.

Senator FRANCE. Does it show the date of his employment?

Mr. ADCOCK. Yes, March 15.

Senator HARDWICK. I think we ought to have it.

Senator LENROOT. This was subsequent to the time he was in the Government back in Chicago?

Senator HARDWICK. At the time this conversation occurred he was Government employee?

Mr. NEWMAN. I think so.

Senator HARDWICK. I think it ought to go in. If you were his lawyer, we would not force it.

Mr. NEWMAN. Except that my partner is his lawyer, Mr. Poppenhusen. I came to Washington largely at the instance of Mr. Poppenhusen to see Mr. Hodge.

Senator HARDWICK. I do not know. If Mr. Newman was of course his counsel—and you know better about that than anybody else, if you were his counsel at that time, and claim that your communication was confidential, I would not want to force it. But outside of that I think it should go in.

Senator LENROOT. Where is Mr. Hodge?

Mr. ADCOCK. In Washington.

Senator LENROOT. Is he in the room?

Mr. ADCOCK. No.

Mr. NEWMAN. I would like to tell the committee in executive session what occurred.

Senator HARDWICK. There are few questions that we ought to have in executive session.

Mr. NEWMAN. I do not want to do anything that could in any way reflect upon Mr. Hodge, or hurt him in the slightest degree, and that is, gentlemen, why I am so solicitous.

Senator HARDWICK. Of course the committee, while it does not want any innocent man reflected on, is here to ascertain the facts, and there is no reason why we should not get them.

Senator FRANCE. Of course the general question has been raised as to whether or not one Government employee received a commission—I mean the testimony has raised that question, as to whether one governmental employee has received or whether he asked or demanded, not whether he received, but asked a commission.

Senator LENROOT. One who is now a Government employee.

Mr. ADCOCK. I will ask him. There is no intention that it should reflect in any way upon Mr. Hodge, that Mr. Hodge requested any commission directly or indirectly, as I understand it; but it tends to show that Mr. Shank was a friend of his and insisted that he be compensated; that Mr. Newman came down and took the matter up with Mr. Hodge and said that Mr. Shank would probably by his insistence, not understanding the situation, was embarrassing him; and Mr. Hodge told him that of course there should be no commission coming to him; and finally that at the end of the interview Mr. Newman said: "Now, Sam"—speaking of Sam Hodge—"this Speedway proposition will stop entirely unless Mr. Shank desists from his position." Now, that is the situation, whereupon Mr. Newman handed Mr. Hodge that paper. That is as I understand it.

Senator FRANCE. I perhaps did not make myself clear. This testimony has raised a question in the minds of some as to whether a certain Government employee did ask for a commission. Now, in view of the fact that the same question has been raised with reference to another Government employee, it seems to me that the matter is relevant and that we ought to hear the testimony.

Senator HARDWICK. I think we ought to hear it, unless Mr. Newman is in the relation of counsel to this man and claims a confidential relationship. Is that your idea?

Senator LENROOT. Yes; it is. I want to ask him this question. You said you did not wish to reflect upon Mr. Hodge. If there be any reflection, it is in connection with this transaction.

Senator HARDWICK. The Speedway project.

Mr. NEWMAN. I think, Senator, you put it a little too strongly. I mean that I do not want to discuss the subject with Mr. Hodge's name connected with it.

Senator LENROOT. Is that your only objection?

Mr. NEWMAN. No; that and the additional objection that I always understood that Mr. Hodge was Mr. Poppenhusen's client.

Senator HARDWICK. Mr. Poppenhusen being your general partner?

Mr. NEWMAN. Yes.

Senator HARDWICK. And his clients become yours, in a sense?

Mr. NEWMAN. But I would want to be accurate about that. The extent of the relationship I am not personally familiar with. Mr. Poppenhusen will be here to-morrow, and I do not want the committee to get a wrong impression. If the facts are as I believe them to be, there is the relationship of attorney and client, and Mr. Poppenhusen can tell you accurately whether that relationship exists.

Senator HARDWICK. In other words, you are testifying now to the best of your knowledge and belief that that relationship did exist at the time of this conversation?

Mr. NEWMAN. There was a general relationship of attorney and client.

Senator LENROOT. Was this conversation held between you and Mr. Hodge a conversation as between attorney and client in any way?

Mr. NEWMAN. I will tell you what occurred so that, Senator, you can draw your own conclusions. We had a conference in our office in Chicago, in which I believe Mr. Poppenhusen participated, which resulted in my coming to Washington for a conference with Mr. Hodge.

Senator LENROOT. In the capacity of attorney for Mr. Hodge?

Mr. NEWMAN. I can not say that I had that in mind.

Senator LENROOT. Well, was there anything that involved the relation of attorney and client in the relation that you had with Mr. Hodge with respect to this transaction?

Mr. NEWMAN. Personally, not that I know of.

Senator HARDWICK. I thought you said his partner was his counsel?

Mr. NEWMAN. His general counsel, but I understood that the Senator asked whether I was his counsel on the specific subject matter. Is that right?

Senator LENROOT. Yes.

Mr. NEWMAN. Whether the specific subject matter related to any employment by Mr. Hodge of our firm or any member of it, and my answer to that is that, as I recall it, it did not.

Senator HARDWICK. Anyway, while generally you are his counsel, you did not have any engagement with him or retainer from him or conference with reference to this Speedway matter?

Mr. NEWMAN. Not so far as I know.

Senator LENROOT. I am not fresh on the law of attorney and client, but it is my recollection that it does not extend to communications where the mere fact of a retainer, or the general relation of attorney and client does not extend to communications that have to do with that relationship.



Mr. BOUVIER. Your law knowledge abideth with you. There is no question of that.

Senator FRANCE. Were you attorneys for Mr. Shank?

Mr. NEWMAN. We never were.

Mr. BENNET. I think the test might be whether the party conversing with the attorney regarded him at the time as attorney or counsel in relation to the matter.

Mr. ADCOCK. It would depend upon circumstances.

Mr. NEWMAN. Let me answer it further. The relationship between Mr. Poppenhusen and Mr. Hodge has been very intimate for many years, and I do not want to do anything that can be criticised with respect to that situation.

Mr. ADCOCK. You do not understand that the relation or the statement of what occurred at this conversation casts any reflection upon Mr. Hodge, do you?

Mr. NEWMAN. No, sir.

Mr. ADCOCK. Then what is the objection to relating it?

Mr. NEWMAN. Certain things occurred at that meeting that I do not want to make public if I can possibly avoid it.

Senator HARDWICK. That is, Mr. Newman, you are, as I understand it, a very eminent lawyer—pardon the compliment—you probably know that the committee feels that its sole function is to ascertain the truth about these matters, and if this is pertinent to this investigation, though it is possible that you do not want to make it public, we feel we ought to have that, whatever the result.

Mr. NEWMAN. My own judgment is that it is not pertinent, and really has nothing to do with the Trainer issue.

Mr. BOUVIER. It is only the committee that can determine that.

Mr. ADCOCK. On the contrary, it is absolutely pertinent. That conversation together with this paper will absolutely corroborate the witnesses that we produce.

Senator HARDWICK. Could you state to the committee what it is you expect to prove?

Mr. ADCOCK. I have stated.

Senator LENROOT. I think he has stated.

Senator HARDWICK. I did not catch it.

Mr. ADCOCK. That Mr. Shank was insisting—

Senator HARDWICK (interposing). Was entitled to a commission on this Speedway project matter, and Hodge insisting that he was not entitled to any?

Mr. ADCOCK. Was not demanding or expecting any of any kind, and he said that Shank, if he continued his talk about Hodge being entitled to a commission, and so forth, would very materially embarrass him.

Senator HARDWICK. What is the relevancy?

Mr. ADCOCK. That in the conversation in Mr. Newman's office with reference to the commission, Mr. Shank was there and opened up the subject by saying to Mr. Poppenhusen, "I have asked these gentlemen to come here believing that they can help me sell the Speedway to the Government, and I am willing to pay commissions"; whereupon Mr. Hodge, who was present, and it must be remembered, if the committee pleases, that on direct examination this same witness who is here, refused to divulge the name of Mr. Hodge—that he was

present and an absolutely unprejudiced witness as far as this investigation is concerned, and it was only after pressing on cross-examination that he did so, and that in the examination by Stotesbury, none of the witnesses that were examined by Gen. Stotesbury, including Mr. Newman and Mr. Poppenhusen, indicated to Gen. Stotesbury that Mr. Hodge was present.

Mr. BENNET. I think that Mr. Adcock fell into one error, unintentionally. On direct examination he did not refuse to give the information.

Mr. ADCOCK. I said he did not give it when asked who were present.

Mr. BENNET. He said, "others," when we asked if there were others present.

Senator HARDWICK. Your view is that it might be to the credit of Mr. Shank?

Mr. ADCOCK. Yes, sir; Mr. Shank is a big-hearted man, and he wants to compensate people who perhaps never thought anything about it, and he offered to pay commissions at that time, and the conversation went on, and both Mr. Hodge and Mr. Trainer said that they could not accept a commission. Hodge said, "While I have been employed by you previously, since I have gone into the Government service I can not do it. Furthermore, there is a provision in all Government contracts to the effect that any contract shall be invalid where there is a commission paid." And Mr. Trainer said the same thing, "There is not any money that could be given me on commission. I am going with the Government."

Senator HARDWICK. Mr. Adcock, the committee seems to be of the opinion that the testimony relative to their demand for commission or offer to pay one on this Government project is admissible.

Mr. ADCOCK. Will you then state what occurred at that conversation.

Mr. NEWMAN. I came to Washington to have a talk with Mr. Hodge. That resulted from a very extraordinary incident that happened to me two or three nights before I came to Washington, in Chicago.

Mr. ADCOCK. I think he ought to state just what the conversation was. I do not think the incident has anything to do with it.

Mr. NEWMAN. With the permission of the committee, I will be very brief.

Senator FRANCE. I think we should like to hear all the circumstances.

Senator LENROOT. It is something that you have related to this committee?

Mr. NEWMAN. No.

Senator LENROOT. Then I think we ought to have it.

Mr. NEWMAN. About 10 o'clock I was returning home, and had just reached the front yard, from a meeting of the Kenwood neighborhood committee of the State council of defense, and a man tapped me on the shoulder and said, "Is your name Newman?" I was a little surprised. I said, "Yes."

Mr. ADCOCK. Did you know the man?

Mr. NEWMAN. Never saw him.

Senator HARDWICK. Well, give the substance of the conversation.

Mr. NEWMAN. He said, "The Chicago Tribune has discovered that

the Shank Co. is going to pay a commission to some Government officers in connection with the Speedway Park." I asked him where he heard that. He said, "Never mind; I know."

Mr. ADCOCK. What date was this extraordinary incident?

Mr. NEWMAN. Two or three days before I—

Mr. ADCOCK (interposing). Do you remember the exact date?

Mr. NEWMAN. No; two or three days before—possibly it may have been a week—before I came to Washington; and that he had been told to warn me. I told that fact to both Mr. Hines and Mr. Shank the next morning, and I was mystified. We discussed the matter pro and con, and I could not understand what it meant. The man walked away. I asked him for his name and address, but he declined to give me anything. That circumstance was the subject of repeated discussions in my office, and I finally concluded at the request of Mr. Poppenhusen to come to Washington and have a conference with Mr. Hodge.

Mr. ADCOCK. Did the gentleman mention any names that tapped you on the shoulder? Did you ask him his name?

Mr. NEWMAN. I did.

Mr. ADCOCK. Did he give it to you?

Mr. NEWMAN. He declined to give it to me, declined to give me his address, and declined to tell me who he was.

Mr. ADCOCK. You can not place the date of that interview?

Mr. NEWMAN. Except if you will find the day I came to Washington, as shown in the hotel register. It was shortly before leaving Chicago and coming to Washington.

Mr. ADCOCK. You had not played any golf that day out at the country club, where you might have been registered as a guest?

Mr. NEWMAN. No, sir.

Mr. ADCOCK. Go ahead.

Mr. NEWMAN. I asked Mr. Erskine—I did not know where Mr. Hodge lived—to bring Mr. Hodge to my hotel because I wanted to discuss the matter with him. Mr. Hodge came with Mr. Erskine I think about 6 o'clock in the evening.

Mr. ADCOCK. Now just let me recall. You asked him to come to dinner, did you not, at 6 o'clock, and did he not call up at 6 o'clock and say that he was very busy and he did not think he could come?

Mr. NEWMAN. I do not recall that.

Mr. ADCOCK. You do not recall that?

Mr. NEWMAN. No.

Mr. ADCOCK. And then you said, or Mr. Erskine said in your presence at the telephone, that it was very necessary that he come, so that he finally came some time after 6?

Mr. NEWMAN. I can not recall all those circumstances. He came and we had dinner in our room.

Mr. ADCOCK. You had some sandwiches, did you not?

Mr. NEWMAN. I do not know. I know we had dinner up in the room, and in the course of the dinner we discussed the situation, and this is what I said to Mr. Hodge: "You are an officer of the Government. True, you have done a great deal of work in this matter before you entered the Government service, but nobody could explain—you could not explain—to the satisfaction of the Government if any commission had ever been paid you or would be paid you, and what I want you to do is to sign a declaration setting forth your connection

with the Speedway Park project from the earliest time, setting forth what occurred."

Mr. ADCOCK. What did Mr. Hodge say?

Mr. NEWMAN. Wait until I finish.

Mr. ADCOCK. This was all yourself?

Mr. NEWMAN. Yes. I said, "A declaration setting forth what occurred in Mr. Poppenhusen's room in Chicago when Mr. Trainer demanded the payment of a commission, setting forth what you stated to Mr. Poppenhusen and to me after Mr. Trainer left"; thanking both of us, as he expressed it, from the bottom of his heart for having called his attention to the statute, and to the wrong that would have been committed if any commissions had been paid or received, and saying to me that he would thank me to the last day of his life for having called his attention to that matter; and that he had then and there stated that he had earned a commission for work long prior to his entry into the service of the Government, and because of the fact that he was in the service of the Government he would waive any claims that he might have for commissions, and that he had waived them. I wanted him to sign a document of that kind and lodge it with the Government. I named to him Maj. O'Brien, of counsel of the Construction Division. As I told you in my original examination, I told those facts confidentially to Maj. O'Brien.

Mr. Hodge declined to do it, and the longest day of my life I will never forget what he said. He said, "Mr. Newman, if I signed a document like that, although it expresses the facts, I might just as well put a bullet through my head."

Senator HARDWICK. Did he say why?

Mr. NEWMAN. The words I have given you were just what he said.

Senator HARDWICK. Did he say anything—

Mr. NEWMAN. Let me finish, please.

Senator HARDWICK. He did not amplify that at all?

Mr. NEWMAN. No. Oh, he said, "If I signed a document like that and lodged it with the Government, or told the story, my relationship would be misunderstood."

Mr. ADCOCK. Did he say to you, in response to your statement just related, that he did not expect a commission, or had not demanded any commission and was not then demanding any commission? Did he not say that?

Mr. NEWMAN. He said that in my office after Mr. Trainer had retired.

Mr. ADCOCK. Did he say that on this occasion at the Raleigh Hotel?

Mr. NEWMAN. He may have repeated the same thing. I have forgotten.

Mr. ADCOCK. Then did you not hand him that paper—this paper here—at the close of the conversation [handing witness a paper marked by the stenographer "A"]?

Mr. NEWMAN. I have no recollection of seeing this document. [After examining paper.] It is interlined by some one whose handwriting I do not recognize. It does not appear to have been a document for Mr. Hodge to sign.

Mr. ADCOCK. No.

Mr. NEWMAN (continuing). Because I see here at this point it says, "I personally have had no understanding with either Mr. Hodge or Mr. Trainer"—

Mr. ADCOCK. Go ahead and read it.

Mr. NEWMAN (continuing reading):

But I am informed that after Mr. Trainer entered the Government service the owners of the property, through their counsel, explicitly advised both Hodge and his partner, and Messrs. Clark and Trainer, that if the negotiations then pending were proceeded with and a sale to the Government resulted, that no commissions or compensation of any kind could under the law be paid to either or any of them, and would not be paid.

Mr. ADCOCK. Go ahead.

Mr. NEWMAN (continuing reading):

Except with the express approval and knowledge of the Government.

Mr. ADCOCK. Will you read further? See if it recalls itself to you. Read right along.

Mr. NEWMAN. I am reading.

Mr. ADCOCK. Well, read it aloud. Can you not do that?

Senator LENROOT. Except for the purpose of refreshing his recollection at this time, he does not need to read it, and he need not read it aloud for that purpose.

Senator FRANCE. I think there should be a statement as to what that document purports to be before it goes in the record. Do you intend to put it in the record?

Mr. ADCOCK. No; I will have to identify it first.

You remember preparing the document, do you not, which, following what you have read, says as follows:

I also understand that the owner asked Mr. Hodge and his partner and Clark and Trainer to state if they had any other understanding, for if they did, the owners would not proceed with the negotiations. I am informed that all of those real estate men and their associates agreed that the request of the owner was reasonable and that they were not entitled to and would not claim any compensation. Subsequently, I am informed, a claim was made on the owner, more or less indirectly, on behalf of persons and said to be unauthorized, that if the deal with the Government was consummated, a commission would be payable to one or more of the real estate men referred to. The owner is not willing to proceed with the sale without having the proper governmental authorities advised of this fact and wants this cleared up before making a conveyance. I wish you would advise me what I ought to do under the circumstances.

Was not this a letter or a draft of a letter that was proposed to be signed by Mr. Erskine to go to the Secretary of War?

Mr. NEWMAN. No, sir; not that I ever knew anything about.

Mr. ADCOCK. Does this other paper which I hand you, dated September 7, 1918, addressed to the Secretary of War, tend in any way to refresh your recollection [handing witness a document marked by the stenographer "B"]?

Mr. NEWMAN (after examining paper). It could not have been, because on page 2 appears the following. I say that it could not have been a document for Mr. Hodge to sign.

Mr. ADCOCK. No, no; I say for Mr. Erskine.

Mr. NEWMAN. I do not know. This says:

About three or four weeks ago I brought to the attention of Secretary Baker the plan of constructing on the Speedway Park site a permanent hospital.

I thought you asked me whether that was not a document that I asked Mr. Hodge to sign.

Mr. ADCOCK. No, no; Mr. Erskine.

Mr. NEWMAN. I can not recollect that.

Mr. ADCOCK. Or a draft of a letter?

Mr. NEWMAN. My dear man, the documents that have been drawn in this case run up into the hundreds. I think that is literally true; that is, with the corrections and changes. I have no recollection of drawing this document. I will not say that I did not.

Senator FRANCE. This is a rather important document. If you had drawn it, do you think you would recall it?

Mr. NEWMAN. No, I drew so many that I would not want to say.

Senator FRANCE. Do you wish these papers to go into the record, Mr. Adcock?

Mr. ADCOCK. I can not introduce them until I have further identified them. They will be identified.

Senator FRANCE. You must identify them. We can not have mere unsigned typewritten statements in the record.

Mr. BENNET. I do not understand that Mr. Newman claims that there is any privilege on account of his being attorney for Mr. Hines.

Mr. NEWMAN. Oh, no.

Mr. BENNET. I want to say if there is any understanding of that sort, we expressly release him.

Mr. NEWMAN. Not at all. This document says at the end:

In order to satisfy myself as to Mr. Hodge's position, whom I happen to know intimately, I called on him, and he assured me that he did not claim nor would he under any circumstances expect, any commission or compensation for his services in any matter connected with the Speedway Park. As to Clark and Trainer, I am unable to say what position they take except to advise you that Mr. Trainer is now in the service of the Government, in the real estate department of the Army.

The last clause reads as follows:

I am informed that counsel for the owners advised Messrs. Hodge, Trainer, and Clark, that if negotiations then pending were proceeded with and a sale to the Government resulted, that no commissions or compensation of any kind could or would be paid to either or any of them, because the law forbade it.

Senator FRANCE. Is that all, Mr. Newman?

Mr. NEWMAN. That is the end of this document.

Senator FRANCE. I thought it said he agreed.

Mr. ADCOCK. There were two documents.

Mr. NEWMAN. I have no recollection of drawing these documents, but I do not want the committee to understand that I say I did not draw them. I simply have no recollection.

Mr. ADCOCK. You have no recollection, then, of handing these documents, or the one I first handed you, to Mr. Hodge at the Raleigh Hotel on September 10?

Mr. NEWMAN. No, and I can not conceive of any reason why I should hand him those documents.

Senator FRANCE. You would have copies of these on your files if you had prepared them?

Mr. NEWMAN. Yes, sir.

Mr. ADCOCK. Do you want the committee to understand that you absolutely deny ever having handed these documents, or this one that I first handed you, to Mr. Hodge on that occasion?

Mr. NEWMAN. I mean the committee to understand that I have no recollection of either of those documents. The conference lasted from 6 till half past 8. I remember that hour, half past 8, because Mr. Hodge called up some friends on the telephone with whom he was

going to the theater that night, and he had to leave about half past 8 to meet them.

Mr. ADCOCK. Do you remember calling Mr. Shank on the long-distance telephone that evening?

Mr. NEWMAN. No, sir.

Mr. ADCOCK. Or that Mr. Erskine talked to Mr. Shank in Chicago?

Mr. NEWMAN. I do not know what Erskine did.

Mr. ADCOCK. In your room; with you present?

Mr. NEWMAN. No; I do not recall it.

Mr. ADCOCK. You do not recall it?

Mr. NEWMAN. No, sir.

Mr. ADCOCK. You testified here last, Mr. Newman, a week ago Saturday, did you not?

Mr. NEWMAN. I can not remember the date, unless you call my attention to it. I testified here before this committee.

Mr. ADCOCK. You do not remember whether it was a week ago Saturday or not?

Mr. NEWMAN. I can not, no; the exact date.

Mr. ADCOCK. When did you leave for Chicago after testifying; that night?

Mr. NEWMAN. Yes, sir; that night.

Mr. ADCOCK. Did you have any talk with Mr. Hines or Mr. Bennet about correcting your testimony?

Mr. NEWMAN. Not a word.

Mr. ADCOCK. Not a word. When was the first—

Mr. NEWMAN. I knew nothing about the line in the testimony to which Mr. Bennet directed by attention until, I think, yesterday he called my attention to it for the first time.

Mr. ADCOCK. You did not have any talk with Mr.—well, did you see the Chicago papers of Sunday with reference to the statement that you had made in the testimony that Mr. Bennet just read, and which you corrected, with reference to Mr. Hodge?

Mr. NEWMAN. We bought the Chicago papers on the train and found nothing in them.

Mr. ADCOCK. You did not see any Chicago papers that Sunday which made any statement about the speedway examination here on Saturday?

Mr. NEWMAN. I do not recall that I read it.

Mr. ADCOCK. Relating to your testimony?

Mr. NEWMAN. We bought what is called the early edition, and I suppose it did not contain the account.

Mr. ADCOCK. May I ask Mr. Hines about that?

Senator HARDWICK. Yes.

Mr. ADCOCK. Mr. Newman, you talked with no one about correcting your testimony until yesterday?

Mr. NEWMAN. No, sir.

Mr. ADCOCK. How did it happen that you came here to Washington yesterday?

Mr. NEWMAN. Mr. Hines telephoned me to come.

Mr. ADCOCK. Now, may I ask you a question, Mr. Hines?

Mr. HINES. Yes, sir.

Mr. ADCOCK. You went to the office of Gen. Goethals a week ago yesterday?

Mr. HINES. Yes, sir.

Mr. ADCOCK. And had a conversation with Gen. Goethals about this testimony of Mr. Newman, did you not?

Mr. HINES. Yes, sir.

Mr. ADCOCK. And you told Gen. Goethals in that conversation that you would have Mr. Newman come here to withdraw his testimony, did you not, with regard to that, or his charges?

Mr. HINES. No, sir. I said, in discussing the matter with Mr. Bennet after Mr. Newman left, that I thought there must have been some mistake, if I understood the testimony correctly. Mr. Bennet had not as yet a copy of the testimony and I said my recollection was that Mr. Newman had made the statement in the testimony as it appears in the typewritten record. Mr. Bennet said his understanding was directly the opposite.

Mr. ADCOCK. I wonder if anybody else here understood it that way.

Senator FRANCE. I was not here when this question arose. What is it?

Mr. ADCOCK. On page 470 of the typewritten record, beginning with the question:

Mr. ADCOCK. Had you heard Mr. Hodge's name used in connection with this before?

Senator HARDWICK. I will tell you, since you ask the question, informally. I remembered that Mr. Newman had made some such statement as that, but when Mr. Shank came on the stand I put the testimony of the two together, and I understood it as he must have stated it.

Senator LENROOT. I heard the testimony, and I am satisfied the record is correct.

Mr. ADCOCK. There is no question about it. We can read this, can we not?

Senator HARDWICK. Yes.

Mr. ADCOCK. Mr. Newman stated in substance that Mr. Hodge had also demanded some commission, as he understood it, about this Speedway project. Now I read as follows from page 470:

Mr. ADCOCK. Had you heard Mr. Hodge's name used in connection with this before?

Mr. NEWMAN. Yes, sir.

Mr. ADCOCK. And that Mr. Hodge should come also?

This is when Mr. Hodge came also to the conference.

(Continuing reading:)

Mr. NEWMAN. No, I think Mr. Hines mentioned Mr. Trainer's name to me, as I recall it.

Mr. ADCOCK. Then you did not understand that Mr. Hodge was asking for any commission, did you?

Mr. NEWMAN. Well, yes, I thought they both were asking for it.

Mr. ADCOCK. All three?

Mr. NEWMAN. You are including Clark?

Mr. ADCOCK. Yes.

Mr. NEWMAN. No, Clark did not ask for any commission, except on the second visit. I do not recall that he said anything about compensation.

Senator HARDWICK. Yes.

Mr. ADCOCK. Now, I just want to ask Mr. Hines again: Did you not say to Gen. Goethals that you would have Mr. Newman come to Washington and withdraw his statement with reference to Mr. Hodge?



Mr. HINES. I said this to Gen. Goethals——

Mr. ADCOCK. Answer the question.

Mr. HINES. I would like just to explain.

Mr. ADCOCK. Yes; explain.

Mr. HINES. That is what I want to do. I stated that Judge Bennet's understanding of that answer was different from mine, and I thought I was correct, as it appears I am from the record. I felt, knowing Mr. Newman as I did, that Mr. Newman either misunderstood the question or answered in error, and as soon as I possibly could I acquainted Mr. Newman with the answer, as soon as we got the typewritten testimony, and I said that if I was correct in understanding it, I felt very certain Mr. Newman would be very glad to come to Washington and correct an error.

Senator HARDWICK. You were trying to keep him from committing an injustice?

Mr. HINES. Yes.

Mr. ADCOCK. Why were you attempting to have him change that?

Mr. HINES. Because I felt I knew the subject in detail, and he was telephoned in Chicago by my secretary, what the Chicago papers stated, knowing that Mr. Hodge was occupying a responsible position here; and Gen. Goethals, his superior officer, I acquainted as quickly as I could with the facts as I knew them; and I asked Judge Bennet, our counsel, if I could not go down and see Gen. Goethals Monday morning, and he said, "You ought to;" and I did so.

Mr. ADCOCK. Let me ask you a question. Did you go there voluntarily, on your own volition?

Mr. HINES. On my own volition?

Mr. ADCOCK. Yes.

Mr. HINES. You mean after talking with Judge Bennet?

Mr. ADCOCK. Yes.

Mr. HINES. Yes.

Mr. ADCOCK. Did not Gen. Goethals send for you?

Mr. HINES. He did not. I never met Gen. Goethals. I have been in Washington six months and never have seen him or talked with him over the telephone or communicated with him in any way.

Mr. ADCOCK. Did he not ask you to come down to his office that morning?

Mr. HINES. He did not. I never talked to Gen. Goethals in any shape or manner.

Mr. ADCOCK. As I understand, you say you went voluntarily, because you did not want to see an injustice done?

Mr. HINES. Yes.

Mr. ADCOCK. You said that you discussed it with your counsel?

Mr. HINES. Yes.

Mr. ADCOCK. Did you discuss it with anyone else?

Mr. HINES. I discussed that with Mr. Erskine.

Mr. ADCOCK. Did you discuss it with Mr. Hodge?

Mr. HINES. Yes.

Mr. ADCOCK. And did not Mr. Hodge tell you that Gen. Goethals wanted to see you?

Mr. HINES. No, sir, he did not.

Mr. ADCOCK. And you went of your own accord?

Mr. HINES. Absolutely.

Mr. ADCOCK. You told Mr. Hodge also that you would have Mr. Newman come here and withdraw this testimony?

Mr. HINES. No, I did not. I told that to Gen. Goethals, and told him the reason why we were not certain, that we could not get a copy of the testimony at that time that I saw him, but I felt very certain that the testimony as quoted in the paper was correct, although Judge Bennet thought I was mistaken. I beg your pardon; I said on leaving Gen. Goethals, "General, with your permission I would like to go in and tell Mr. Hodge of our visit to your office and acquaint him with the facts," and he gave me permission to do so, and I went in and told him.

Mr. ADCOCK. When did you call Mr. Newman up about coming down here?

Mr. HINES. I talked to Mr. Newman practically every day since I have been here, when he has been in Chicago.

Mr. ADCOCK. I mean, asking the question about his coming down here to correct his testimony.

Mr. HINES. To the best of my recollection, I talked with Mr. Newman on Tuesday or Wednesday. I think it was Tuesday; I would not be positive about that.

Mr. ADCOCK. The day after your talk with Gen. Goethals?

Mr. HINES. No; either the next day or the second day following.

Senator HARDWICK. Was that after Mr. Shank had testified before the committee?

Mr. HINES. It was on either Tuesday or Wednesday; I am not certain which.

Senator HARDWICK. I have not looked into the record, but my recollection is that when he went on he had heard it and said that he felt there had been a misunderstanding on this point.

Mr. NEWMAN. Let me say a word. Did I tell the committee that I wanted Mr. Hodge to sign this document, so that, if any accusation was made against him, he would be in the position of having made known all the facts, voluntarily, to the Government? That is what I told him.

Mr. ADCOCK. Mr. Newman, then in the place of that, did you not hand him this document which would show all the facts [indicating document marked "A"]?

Mr. NEWMAN. I have no recollection.

Mr. ADCOCK. This is the document that the stenographer has marked "A."

Mr. NEWMAN. I have no recollection of ever seeing that document.

Mr. ADCOCK. Do you remember the circumstance?

Mr. NEWMAN. That is, reading it over now does not recall it to my mind.

Mr. ADCOCK. Is not that the way you intended to put the circumstances on paper?

Mr. NEWMAN (after further examination of document "A"). No, sir. I intended to have him write a letter to the Secretary of War setting forth in the minutest detail his connection with the Speedway project and everything that had occurred, and to lodge that document with Maj. O'Brien, and if you will call him, I think he will tell you just what occurred between us.

Mr. ADCOCK. In the place of having him write that letter that you speak of, did you not hand him this one document marked A?

Mr. NEWMAN. I have said to you that I have no recollection of it.

Mr. ADCOCK. No recollection of it at all?

Mr. NEWMAN. No recollection of seeing it. I can not understand that document covering that ground.

Senator HARDWICK. Is there anything else, Mr. Adcock?

Mr. ADCOCK. Yes; I would just like to ask a few more questions. Did anybody tell you about the newspaper articles in the Chicago papers on Sunday—a week ago last Sunday—in reference to Mr. Hodge?

Mr. NEWMAN. I do not know if in reference to Mr. Hodge; I think every friend I met in Chicago asked me about it.

Mr. ADCOCK. In reference to Mr. Hodge?

Mr. NEWMAN. No; about the Tribune article.

Mr. ADCOCK. And did not mention anything about Mr. Hodge?

Mr. NEWMAN. I do not recall that; no. My friends who would talk to me about it probably would not think about that.

Mr. ADCOCK. And you say that you did not see any of the articles?

Mr. NEWMAN. I will not say that. I told you—

Mr. ADCOCK (continuing). Appearing in the Chicago papers on Sunday, referring to Mr. Hodge?

Mr. NEWMAN. I told you we bought what is commonly known as the Bulldog edition of the Chicago Tribune at some point in Ohio. I looked carefully through the paper—somebody was with me—and my recollection is that there was nothing in that edition. At least I do not recall it. When I got home Mrs. Newman spoke to me about it, my boys spoke to me about it, and I went out on the street, half a dozen people spoke to me about it.

Mr. ADCOCK. That was Sunday night?

Mr. NEWMAN. Sunday night.

Mr. ADCOCK. When you got there. You did not see the city edition?

Mr. NEWMAN. I am not sure whether I read it. If I read it, I just glanced over the headlines. I am not sure about whether I read it on Sunday evening or not.

Mr. ADCOCK. You thought you had done an injustice to Mr. Hodge, did you not, when you saw that?

Mr. NEWMAN. No; I do not recall seeing it in the newspapers.

Mr. ADCOCK. You do not recall?

Mr. NEWMAN. No; I do not recall. I have read so much of this stuff that I generally just glance over it and read the headlines.

Mr. ADCOCK. Now, coming back to the 25th, you say you have a memorandum of a meeting in your office between yourself, Mr. Hodge, Mr. Trainer, Mr. Clark, and Mr. Poppehusen?

Mr. NEWMAN. I did not say that.

Mr. ADCOCK. Your books show that—the 25th?

Mr. NEWMAN. No, sir. My charge book shows that on the 25th day of June there was a meeting in our office at which Mr. Wheelock, Shank, and Poppenhusen and Trainer were present, and Mr. Poppenhusen's books show identically the same charge.

Mr. ADCOCK. Was Mr. Clark there?

Mr. NEWMAN. The memorandum does not show it.

Mr. ADCOCK. Was Mr. Hodge there?

Mr. NEWMAN. The memorandum does not show it.

Mr. ADCOCK. But Trainer was there?

Mr. NEWMAN. The memorandum mentions Mr. Trainer's name as one of the four who were present.

Mr. ADCOCK. Did not Mr. Hodge and Mr. Trainer leave your office together on the date on which this conversation took place with reference to commissions:

Mr. NEWMAN. My recollection is that Mr. Hodge remained behind for a very few minutes, shook me by the hand, thanked me cordially for having explained the situation to him, and stated that he would not forget my kindness to the last day of his life. Now, whether he moved out and joined Mr. Trainer or not, I do not know.

Mr. ADCOCK. Was not this said at that conversation, after you had talked about the weather, etc.; did not Mr. Shank—was not Mr. Shank present at the conversation when commissions were talked about?

Mr. NEWMAN. No, sir; he was not.

Mr. ADCOCK. Are you positive of that?

Mr. NEWMAN. Absolutely positive.

Mr. ADCOCK. Did Mr. Hodge at that conversation, when they were speaking of commissions, say—

Mr. NEWMAN. Now, my answer relates to a meeting between June 25, 1918, and July 2, 1918, where the question of the payment of \$100,000 commission, or securing the payment of the same, was under discussion.

Mr. ADCOCK. But whenever it happened, I am speaking of the one conversation you spoke of where Trainer, Clark and Hodge were present, and commissions were talked about.

(The question was read by the stenographer, at the request of the witness.)

Mr. ADCOCK. With Mr. Poppenhusen and you?

Mr. NEWMAN. I am assuming that that is the meeting you refer to.

Mr. ADCOCK. Yes. Now, did not Mr. Hodge say, when the question of commissions came up, that he was in the Government service and could not and would not and did not expect any commission?

Mr. NEWMAN. I do not recollect that Mr. Hodge opened his lips, except as I have stated what he said to me after the meeting was over.

Mr. ADCOCK. Did he not speak of the fact that he had just received from the Judge Advocate General's office, I guess it was, a memorandum that was to go into every contract, to the effect that the contract would be invalid if a commission were paid in connection with the obtaining of the contract?

Mr. NEWMAN. If he did, I do not recall it.

Mr. ADCOCK. You do not remember it?

Mr. NEWMAN. That subject was very frequently discussed in our office after Mr. Poppenhusen returned from Washington.

Mr. ADCOCK. Do you remember at that time that Mr. Hodge also said that he would send you a copy of such memorandum that would go in the agreement?

Mr. NEWMAN. Not to me.

Mr. ADCOCK. You do not remember it?

Mr. NEWMAN. No, sir; I am quite sure he did not say that to me.

Mr. ADCOCK. You are absolutely sure he did not?

Mr. NEWMAN. I am positively sure.

Mr. ADCOCK. Or you just do not recall? Would you say he did not say that?

Mr. NEWMAN. I can only answer that by saying that there was a good deal of excitement at that meeting, a good deal of feeling. If Mr. Hodge said that to me, I have no recollection of it.

Mr. ADCOCK. This was when your delicate sense of propriety was shocked, was it; that was the meeting?

Mr. NEWMAN. I have not heard anybody express that.

Mr. ADCOCK. I understood you were very indignant; that you stated that you were.

Mr. NEWMAN. I was indignant because I did not propose to have any bribe proposition pass through my office.

Mr. ADCOCK. Certainly not. And did not Mr. Trainer say at that time, in substance, that no commission whatever could be paid him, and that he was not expecting any commission; that he was going into the Government service and of course could not take any commission?

Mr. NEWMAN. Nothing of that kind ever dropped from his lips in my presence.

Mr. ADCOCK. And you are willing to say that he did not say that, are you?

Mr. NEWMAN. I am willing to say——

Mr. ADCOCK. Or is it that you just do not recollect?

Mr. NEWMAN. No; I am willing to say that the things you say and put in his mouth, never occurred in my presence.

Mr. ADCOCK. Your recollection does not serve you, or do you say he did not?

Mr. NEWMAN. No, no; if he had said that I would remember it very well, because my recollection is very clear as to what occurred upon the subject of commissions.

Mr. ADCOCK. Yes. Let me ask you another question.

Mr. NEWMAN. It is very, very distinct.

Mr. ADCOCK. I think you have finished. Will you let me ask you a question?

Mr. NEWMAN. Yes.

Mr. ADCOCK. You remember Mr. Trainer saying he was going into the Government service?

Mr. NEWMAN. No, sir; he told me distinctly that he was in the Government service.

Mr. ADCOCK. That he was in the Government service? Did you ask him on that occasion how he would treat the Speedway project matter if it came before him?

Mr. NEWMAN. I did not.

Mr. ADCOCK. You did not?

Mr. NEWMAN. No, sir.

Mr. ADCOCK. You have no recollection of that?

Mr. NEWMAN. Nothing. I have no recollection; and I never did.

Mr. ADCOCK. You are absolutely positive about that?

Mr. NEWMAN. Yes, sir.

Mr. ADCOCK. And do you recall his saying that he would give it such consideration as the merits of the proposition warranted, or words to that effect?

Mr. NEWMAN. No; nothing of that kind occurred so far as I can recollect.

Mr. ADCOCK. Was he very angry at that time because, as you say, you refused to pay a commission?

- r. NEWMAN. No; I do not think he was.
- r. ADCOCK. He took it as a matter of course, did he?
- r. NEWMAN. I think he said somewhere along in the course of the proceedings, "Well, I am working for the Government for a dollar a month, and if I have got to contribute this commission, why, I suppose I will have to do it."
- r. ADCOCK. Did you get the impression—what did Mr. Clark say at time?
- r. NEWMAN. Clark was entirely silent.
- r. ADCOCK. He did not say a word?
- r. NEWMAN. He did not say a word at that meeting.
- r. ADCOCK. Yes; it is that meeting I am speaking of. You did hear Clark—Clark did not present any reasons, as Mr. Trainer as you say, why commissions might be paid?
- r. NEWMAN. No, no; my recollection is very clear that Mr. Clark did not say a thing.
- r. ADCOCK. Did not say a word?
- r. NEWMAN. Not as I can recall.
- r. ADCOCK. And at that meeting he let it go without saying a single word in support of Mr. Trainer's demand, as you say, for a commission; is that so?
- r. NEWMAN. Will you please have that question read? (The question was repeated by the stenographer.)
- r. NEWMAN. I am very clear that Mr. Clark said nothing on that occasion.
- r. ADCOCK. Did you understand that Mr. Trainer was there attempting to extort a commission from your client?
- r. NEWMAN. I told you exactly what occurred. You may draw your own inferences.
- r. ADCOCK. Yes, but I am asking you if you believed that?
- r. NEWMAN. I decline to draw any inference. I told you what occurred.
- r. ADCOCK. I am asking you the impression made on your mind by what Mr. Trainer demanded?
- r. NEWMAN. I do not know that this committee cares for my impressions. They want what actually occurred, and I have endeavored to give it.
- Senator FRANCE. We want the facts.
- Senator HARDWICK. You can hardly insist on the witness drawing a conclusion. The committee will draw their own inferences from facts.
- r. ADCOCK. Can you tell me any more than you did the other time how this meeting came about? I am referring to the meeting at which commissions were talked about.
- r. NEWMAN. No, sir; I have no recollection.
- r. ADCOCK. No recollection. Did you—
- r. NEWMAN. Wait a minute.
- r. ADCOCK. All right.
- r. NEWMAN. I have talked the matter over with my partner, Poppenhusen, two or three times, and we have been trying to figure out how that meeting came about, and we have been unable to do so successfully. The only reason for the meeting is what I think I told the committee at my former examination, that I instructed Mr.

Hines not to see these gentlemen, to have nothing to do with them, and if they insisted upon discussing the matter, to send them to me and I would discuss the matter with them.

Mr. ADCOCK. You never heard of their insisting upon talking the matter over with reference to the conversation between Mr. Shank and Foster and Trainer and Clark, did you?

Mr. NEWMAN. I told everything that I know, that I can recall on the subject.

Mr. ADCOCK. I see. Now, if they came there just to talk about commissions, why did you invite Mr. Hodge to be there?

Mr. NEWMAN. You have no right to say that I invited Mr. Hodge. You know that is not true.

Mr. ADCOCK. How did Mr. Hodge happen to come there?

Mr. NEWMAN. I do not know.

Mr. ADCOCK. You have no idea whatever?

Mr. NEWMAN. No.

Mr. ADCOCK. And your partner has no idea?

Mr. NEWMAN. That is what he tells me.

Mr. ADCOCK. You have no recollection?

Mr. NEWMAN. No.

Senator HARDWICK. Gentlemen, try to proceed without personalities.

Mr. NEWMAN. I beg the pardon of the committee. Counsel should not ask me how I came to invite him, because he knows that I did not invite him.

Mr. ADCOCK. At the second meeting, how did that come about?

Mr. NEWMAN. That I do not know.

Mr. ADCOCK. That you do not know?

Mr. NEWMAN. Mr. Poppenhusen and I have talked it over a number of times, trying to jog our memories and ascertain, if we could, how the meeting came about. I have got my own private notions, but I do not think the committee cares to hear them. They are my own surmises.

Senator LENROOT. I think you stated in your direct examination that you thought it was on the invitation of some of your people, to maintain a friendly relation with these people.

Mr. NEWMAN. Yes; it may have been.

Mr. ADCOCK. It may have been.

Mr. NEWMAN. Yes; and I shook hands with Mr. Trainer when he left. I have no feelings about this matter, and when Mr. Trainer came to our office on July 2 I was very glad to see him, and I was very glad that he expressed his approval of the Speedway project.

Mr. ADCOCK. And you had a long talk about it?

Mr. NEWMAN. No, no; Mr. Trainer did all the talking; talked about an hour and half; talked very intelligently.

Mr. ADCOCK. Between June 25 and July 2, they being the two days, and the only two days, times that you have any record in your books, in your charge books, as to meetings on this Speedway project at which Trainer and Clark and Hodge were present. Is not that so?

Mr. NEWMAN. No; that is not correct.

Mr. ADCOCK. What is the other time?

Mr. NEWMAN. There is a charge in the Speedway matter pretty nearly every day in July.

Mr. ADCOCK. No; I say as to a conversation, showing a meeting when Trainer, Clark, and Hodge were present?

Mr. NEWMAN. Trainer, Clark, and Hodge?

Mr. ADCOCK. Yes; I will say Trainer and Hodge. That is just twice.

Mr. NEWMAN. Trainer and Hodge?

Mr. ADCOCK. Yes.

Mr. NEWMAN. I saw Mr. Hodge—no; the records show on June 25 a meeting at which Wheelock, the architect; Shank, the contractor; Trainer and Mr. Poppenhusen were present. That is in my charge book.

Mr. ADCOCK. Trainer and Hodge?

Mr. NEWMAN. No; not Hodge. Did I say Hodge?

Mr. ADCOCK. Well, now——

Mr. NEWMAN. Let me finish.

Mr. ADCOCK. All right.

Mr. NEWMAN. On June 25 the book show that Trainer, Poppenhusen——

Mr. ADCOCK. This was the 25th?

Mr. NEWMAN (continuing). The 25th of June—Trainer, Wheelock, and Shank were present. That charge appears on Mr. Poppenhusen's book and the same charge appears on my book.

Mr. BOUVIER. That is good business.

Mr. ADCOCK. That is all right. You are a good lawyer.

Mr. NEWMAN. At the same time I have no recollection of that meeting.

Mr. ADCOCK. You have no recollection?

Mr. NEWMAN. Yes; then the next charge appears, the 28th, the 29th, the 30th, the 31st, the 1st of July, July 2, and the next time when Trainer appeared was on July 2, as shown by the books.

Mr. ADCOCK. And the books do not show that Mr. Trainer was there, only on those two occasions?

Mr. NEWMAN. My books show only on—no; sometime between June 27 and July 2.

Mr. ADCOCK. No; but I say your books do not show that Trainer was present at your office except on June 25 and July 2?

Mr. NEWMAN. I have said particularly that he was not present on June 25, so far as the books show.

Mr. ADCOCK. Trainer?

Mr. NEWMAN. No; I beg your pardon. That was Clark. Let me correct that—Clark.

Mr. ADCOCK. I am asking you a question. I am asking you whether your books show that Trainer was in your office on any other occasion than on June 25 and July 2?

Mr. NEWMAN. Not my books; no.

Mr. ADCOCK. That is what I asked you. Why were you so anxious to establish a conversation on July 27, or immediately subsequently?

Mr. NEWMAN. I never manifested any anxiety.

Mr. BENNET. July 27?

Mr. ADCOCK. June 27, I mean. Why were you anxious to establish that?

Mr. NEWMAN. I do not recall that I was anxious.



Mr. ADCOCK. You went so far as to look at the golf club register at the Oak Park Country Club?

Mr. NEWMAN. I did it because I wanted to find out the day that Mr. Hines called me up over the golf club telephone, as I knew that the interview at which Trainer and Hodge were present, when the subject of commissions was discussed, occurred after my return from the golf club, and I wanted to be as definite as I could possibly be as to that particular date.

Mr. ADCOCK. That was not enough, so that you had Mr. Hines photograph the bills of the telephone company?

Mr. NEWMAN. Nothing of the kind.

Mr. ADCOCK. You did not have him do that?

Mr. NEWMAN. No, sir.

Mr. ADCOCK. He did, anyway, did he not?

Mr. NEWMAN. I do not know. I have never seen it.

Mr. ADCOCK. Have you the letter that was sent by your partner, Mr. Poppenhusen, some time in September or October, with reference to the interview he had with Mr. Pitcher?

Mr. NEWMAN. At my former examination I asked the committee not to compel me to mention his name.

Mr. ADCOCK. The name has been used.

Mr. NEWMAN. I said then that I did not wish to drag that gentleman's name into this controversy, and the committee thought at that time——

Senator HARDWICK. It did not make any difference, but there was not anything in the incident to reflect on the man, at all, and his name came out here.

Mr. NEWMAN. It came out here afterwards?

Mr. ADCOCK. Have you that letter?

Mr. NEWMAN. Then I am not responsible for the mention of his name.

Mr. ADCOCK. No; it was distinctly understood that there was no reflection on Mr. Pitcher. When I use his name now I am not intending to reflect in any way upon him.

Mr. NEWMAN. I do not know where that letter is. It must be either in my office in Chicago or in Mr. Hines's files, in the files of his secretary here in Washington; but if the original letter can not be found we have an absolutely accurate copy in the office.

Mr. ADCOCK. Will you produce it?

Mr. NEWMAN. How can I?

Mr. ADCOCK. I say, will you produce it for the committee, and send it to them?

Mr. NEWMAN. Certainly.

Mr. ADCOCK. It was sent to you by Mr. Poppenhusen?

Mr. NEWMAN. If Mr. Bennet has it, he will have the original.

Mr. BENNET. Yes; we will furnish a copy of it.

Mr. NEWMAN. I understood from Mr. Nelson that Mr. Poppenhusen was to leave there and be here to-morrow.

Mr. ADCOCK. Yes; he has left Chicago, I think.

Mr. BENNET. If he has left Chicago it is impossible for him to bring it.

Mr. NEWMAN. Will you send a telegram to my office, Mr. Nelson, asking them to send a correct copy of that letter?

Mr. BENNET. We will have that done.

Mr. NEWMAN. We had it here in Washington, because I received it in Washington from Mr. Poppenhusen.

Senator HARDWICK. And you carried it back and put it in your office files?

Mr. NEWMAN. I probably carried it back.

Mr. ADCOCK. If you will pardon me just a minute, I want to find Mr. Pitcher's testimony. [After examining papers:] I show you are, Mr. Newman, a record of Mr. Pitcher's testimony before Gen. Stotesbury on November 6, 1918, appearing on pages 312½, 313, 314, and 315 of the Stotesbury report, and ask you to look that over and see if Mr. Pitcher correctly states the conversations between you and him some time in September or October of this last year.

Mr. NEWMAN (after examining paper). If you are familiar with the part in which he refers to me, if he does refer to me, it will save the time of the committee if you call my attention to it. You see, I know nothing about what occurred between Mr. Poppenhusen and Mr. Pitcher.

Mr. ADCOCK. I understand that this is a conversation between you and Mr. Pitcher.

Senator HARDWICK. Is that a part of Maj. Stotesbury's report?

Mr. ADCOCK. Yes; but I wanted him to state—I think it appears on page 313 and page 314.

Senator HARDWICK. Can you direct his attention to the part of it that you want to ask him about? Of course the report itself is in evidence, but if there is any particular phase of it that you want to call the attention of the witness to, this is the proper time, if there is anything you want to direct his particular attention to.

Mr. NEWMAN. I think it appears at the bottom of this page.

Senator HARDWICK. Read it to him or direct his attention to that part of it.

Mr. ADCOCK. (Reading:)

Question. You certainly gained no impression from anything said to you by Mr. Clark of a desire on his part to get into the matter as an agent so as to gain a commission?—Answer. On the contrary, Mr. Clark took particular pains, as Mr. Trainer has done repeatedly since he entered the Government service, that he had to sever all his relations with the real estate business in Chicago, and he said, "I was in the real estate business before I went into the service, and I expect to go back to the real estate business as soon as I am through with the service, and I would not, as I value my reputation and my family's reputation, have this office connected with anything in which the Government is interested, in the way of participating in commissions, money, or anything else. I reported my interview to Mr. Clark and told him what I had said to Mr. Popenhouser, and I said, "I don't know whether he will write down to Washington or what they are going to do, but I came to tell you just what I said." Mr. Clark said, "I hope that you did take the opportunity of saying to them that I was not in any way interested either for or against that proposition in any other way than I realized that the Government was in need of a place of this kind, and it would seem to be so far from long that there had ought to be no little differences between the buyer and the seller that would block the proposition," and he says, "you know I occupy a very delicate position by being associated with Milton;" and I said, "Walace, I took particular pains to say to Mr. Popenhouser, in reply to an insinuation, not a question, that he could not buy Milton Trainer's influence for the money that he had or his associates had, and that he couldn't buy anybody else's influence that could in any wise influence Mr. Trainer. They are boys that; they are going to live in Chicago long after the war closes; they have got a good reputation and they are going to sustain it." I said for

him to say to Mr. Newman my desire in coming there was to benefit every one concerned if I could in any way.

After Mr. Newman returned from Washington, he sent for me. He did not reveal to me the contents of the letter he received from Mr. Popenhusen, and he asked me if I would state to him what I had told Mr. Popenhusen. I repeated to him just as I have repeated to you, and he says, "did you go no further," and I says, "no, sir; that is all I had to say," and Mr. Newman thanked me. Mr. Newman asked me, "do you still believe that these men would serve upon a committee of that kind; they are not in the real estate business." I said, "No, but they are public spirited citizens, and I believe if you request them to serve in this capacity, stating the reasons why you sought their influence, there was no doubt but what they would all serve." He says, "You know Cyrus McCormick isn't a very good friend of Mr. Hines." I says, "All the more reason for Mr. McCormick to pass upon a proposition that Mr. Hines is trying to sell," for, I said, "we all know here in Chicago what occurred between Cyrus McCormick and Edward Hines (Edward Hines is very closely identified with the Lorrimer matter)" and there was then and is to-day more or less ill feeling between Mr. McCormick and Mr. Hines, but Mr. McCormick is a great big broad gauged man, public spirited, and he wouldn't deny the Speedway people justice. He thanked me very kindly and said, "I may have an interview with all of my people this evening, and I will tell them what you have told me here."

Is this last that I have read substantially the conversation that Mr. Pitcher had with you?

MR. NEWMAN. Mr. Pitcher talked to me about some loyalty work. I never sent for Mr. Pitcher. He is entirely mistaken about that. We got through with our loyalty work—we were on the same committee—and I then said to him, "I have received a letter from Mr. Popenhusen in Washington," and I do not think that we talked about the matter for two minutes. I asked him, "Do you really think"—let me see, how did I put that? Oh, yes; I asked him, "Mr. Pitcher, did Clark or Trainer send for you to persuade you to write that letter?"

Senator HARDWICK. The one he had written to Popenhusen?

MR. NEWMAN. To Popenhusen.

MR. ADCOCK. Did he write a letter to Popenhusen?

MR. NEWMAN. Oh, no; no.

MR. ADCOCK. That is another error, is it not?

(The last part of the answer of the witness was repeated by the stenographer, as follows:)

I asked him, "Mr. Pitcher, did Clark or Trainer send for you to persuade you to write that letter?"

MR. ADCOCK. I beg your pardon, Mr. Newman. I should not disclose my feelings, Mr. Chairman.

MR. NEWMAN. I asked Mr. Pitcher whether he had been sent to Mr. Popenhusen by Clark and Trainer. I did not mean to say about the letter, because I knew that he had not written any letter.

Senator HARDWICK. Popenhusen was the man who wrote the letter?

MR. NEWMAN. Yes; Popenhusen wrote the letter. He was the man. I asked whether Clark and Trainer, or either of those, had sent him to see me, and in my absence Mr. Popenhusen, and he said no, that he had gotten familiar with the matter owing to the fact that his office carried some insurance, and he heard the subject discussed in some restaurant between some people; that neither Clark nor Trainer ever sent him to our office. That was the only thing I was interested in.

Mr. ADCOCK. You do not believe that he came from Clark and Trainer, do you?

Mr. NEWMAN. The committee does not care what I believe, or for my inferences.

Mr. ADCOCK. Please answer the question. I would like to know what you believe.

Mr. NEWMAN. Well——

Mr. ADCOCK. You said in your former examination that Mr. Pitcher was in no way affected, or could be criticized, for what he did.

Mr. NEWMAN. So far as I know; no, sir.

Mr. ADCOCK. You made that direct statement, did you?

Mr. NEWMAN. If I did not then, I make it now.

Mr. ADCOCK. And that you did not believe that Mr. Pitcher, going to Mr. Poppenhusen, went for Clark and Trainer or for Clark or Trainer, or either one of them.

Mr. NEWMAN. Oh, no, sir. The very best men are sometimes unconsciously led to do things when they do not know they are doing them. It depends upon how strong the dominating mind is.

Mr. ADCOCK. Do you remember saying to Mr. Pitcher, "I may have an interview with all of my people this evening," or words to that effect, "and I will tell them what you have told me here?"

Mr. NEWMAN. I may have said it. I do not recall that.

Mr. ADCOCK. Do you know whether Mr. Hines exhibited this letter from Mr. Poppenhusen to you, to the Secretary of War on or about October 29 to 31, when he——

Mr. NEWMAN. If he did so, he did so without my knowledge or my approval.

Mr. ADCOCK. May I ask Mr. Hines whether he did?

Mr. HINES. I did not.

Mr. NEWMAN. Because Mr. Hines assured me, when we discussed this matter, that he would make no use of it; and I advised him against it, for the reasons that I gave in my former testimony.

Mr. ADCOCK. That is all.

Mr. BOUVIER. May I say a word now, Mr. Chairman, because I am professionally interested in one aspect of this case.

Senator HARDWICK. Make it short.

Mr. BENNET. May I ask, whom is Mr. Bouvier representing at the present moment?

Mr. BOUVIER. I am endeavoring to represent the interests of the War Department, so far as I am capable of doing it, and the questions that I am about to ask are raised, if not by the direct examination, at least, by something in the nature of an innuendo—or so I construed it—on the part of Senator France, who stated that after this so-called commission was turned down the War Department ceased, apparently, to function, the association being between the malfunctioning of the War Department and the turning down of the commission, if I correctly interpret the innuendo.

Senator HARDWICK. I remember that.

Mr. BOUVIER. The Chairman recalls the observation. If it was merely a nightmare of my imagination, and the Chair did not recall it, I would not state it.

Senator HARDWICK. The Senator did not mean just what you infer, it what the Senator meant was that to his mind it was something

rather extraordinary that with the subordinate branches of the department all approving this project, all of a sudden, in Mr. Hare's office, they should be halted.

Mr. BOUVIER. In a very delicate way you have said the same thing to me that Senator France said.

Senator HARDWICK. I rather think that is pertinent matter for an inquiry.

Mr. BENNET. I just wanted to find out whom Mr. Bouvier represented.

Senator HARDWICK. When Mr. Hare first came here Mr. Bouvier and Maj. Lawrence came down with the statement from the Secretary that they represented the department.

Mr. BOUVIER. That is my occasion for existence here, temporarily, at least.

Senator HARDWICK. We are very glad to have you.

Mr. BOUVIER. I have not got a duplicate charge book, so that I may not be as accurate in this thing as Mr. Newman, but I understand that the conversation which we will call, for the lack of a better term, the bribe conversation, took place on or about the 25th of June, 1918; is that correct?

Mr. NEWMAN. When I gave my testimony——

Mr. BOUVIER. No, sir; I am not at all interested in the testimony you gave before. It does not concern me.

Mr. NEWMAN. Let me speak——

Mr. BOUVIER. No; if you will kindly say whether that is right! If it is not, the answer is no, but if it is right, the answer is yes.

Mr. NEWMAN. No; I can not answer that in that way.

Mr. BOUVIER. It calls for a categorical answer. Is the 25th of June the date or not? Is it or not the date when the so-called bribe incident took place?

Mr. NEWMAN. I can not answer it in that way. I decline to answer it that way, because I can not give a truthful answer.

Senator HARDWICK. Answer it the best you can.

Mr. BOUVIER. He can answer it by saying yes or no.

Senator HARDWICK. Answer it the best you can, Mr. Newman. If it is not the 25th, say that it is not, and give the date.

Mr. NEWMAN. I was under the impression that I saw these gentlemen in Mr. Poppenhusen's office after my return from the golf club on the same day, in the afternoon, but on examining our books and talking the matter over with Mr. Poppenhusen, I reached the conclusion that I did not see them on the 25th, but I saw them on—— no, no.

Mr. BOUVIER. Then the answer is no?

Mr. NEWMAN. No, no.

Mr. BOUVIER. You are giving me your mental processes. They are not valuable. I do not want them.

Mr. NEWMAN. This is right. I am getting these dates a little mixed. On the 25th of June I did not see them.

Mr. BOUVIER. Give me the date.

Senator HARDWICK. The answer is no.

Mr. BOUVIER. It is "No." Good! What date do you think it was! I do not care.

Mr. NEWMAN. I did not see them with reference to any commission.

Mr. BOUVIER. What is the date, as near as you can fix it, of the conversation that took place wherein you were incensed by the passage of a suggestion or the passage of a bribe with which you would not have your office identified? Now give me the date of that conversation as near as you can.

Mr. NEWMAN. It was some day between the 27th of June and the 2d of July.

Mr. BOUVIER. Can you not come a little closer than that?

Mr. NEWMAN. No, I can not.

Mr. BOUVIER. That is a far cry. You can not do it?

Mr. NEWMAN. No.

Mr. BOUVIER. At that conversation who, according to your recollection, were present?

Mr. NEWMAN. Mr. Poppenhusen, Mr. Hodge, Mr. Trainer, Mr. Clark, and myself.

Mr. BOUVIER. Good! Did Mr. Hodge say anything in respect of the receipt by him of a commission which you, I believe, have regarded something in the nature of a bribe, as you have characterized it?

Mr. NEWMAN. Not at that meeting, except at the close of the meeting.

Mr. BOUVIER. Then it was at the meeting——

Mr. NEWMAN. No.

Mr. BOUVIER (continuing). The beginning of the meeting and the end of the meeting is all of the meeting, is it not?

Mr. NEWMAN. That was after the meeting was over, and I think after Mr. Trainer had stepped out of the room.

Mr. BOUVIER. I did not ask you where Mr. Trainer had gone, at all. This was not a gathering of Congress. You have not got hours of meeting and departure, and adjournments sine die. The meeting and all took place on that day, did it not?

Mr. NEWMAN. Yes.

Mr. BOUVIER. Now, it was at the end of that conversation that the conversation took place in which something was said by Mr. Hodge in the nature of a commission, which you have characterized as a bribe; is that right?

Mr. NEWMAN. I said that the meeting was over.

Mr. BOUVIER. Well, after the meeting was over, what did Mr. Hodge say, if anything, in the nature of a commission that you interpreted as a bribe?

Mr. NEWMAN. He said nothing. He said simply what I have already stated.

Mr. BOUVIER. What did he say?

Mr. NEWMAN. He said, "Mr. Newman, the longest day of my life I will thank you for what you said here to-day."

Mr. BOUVIER. What had you said for which he was so grateful as applying to him?

Mr. NEWMAN. Shall I go over the whole subject of my cross-examination?

Senator HARDWICK. I hardly think so, Mr. Bouvier. We are not conducting a police-court investigation here now.

Mr. BOUVIER. I would like to know if there are not conditions here that almost match those of a police court, so far as bribes are concerned?

Senator HARDWICK. Yes——

Mr. BOUVIER. That is an unhappiness of human weakness.

Senator HARDWICK. Yes. This man has been over this two or three times, though; there is nothing new about it. I think if you had been here during the preceding days of this investigation you probably would not ask these questions now.

Mr. BOUVIER. He has covered this?

Senator HARDWICK. Yes.

Mr. ADCOCK. He has never mentioned before what Hodge said.

Senator HARDWICK. Oh, yes; he has. He said he would thank him the longest day of his life. He said that before.

Mr. BOUVIER. Yes; and that seems to be all that impressed itself upon him.

Senator HARDWICK. He has stated it a dozen times to-day, at least, and I do not think that he should be asked to say it the thirteenth time.

Mr. BOUVIER. Neither do I; but what has he said that Hodge said?

Senator HARDWICK. He said that Hodge said at the conclusion of the meeting that he would thank him the longest day that he lived for the advice that he had given him that day.

Mr. BOUVIER. What was the advice he gave him? It must have been in relation to something.

Senator HARDWICK. He can answer as to that.

Mr. BOUVIER. That is all I ask.

Senator HARDWICK. Answer as to what advice you gave him when he made that statement?

Mr. NEWMAN. The remark I made to Mr. Trainer.

Senator HARDWICK. On the subject of Government employees taking commissions?

Mr. NEWMAN. Yes.

Senator HARDWICK. That is what it was, of course.

Mr. NEWMAN. That it was a penitentiary offense, and that the man who received the money as a commission and the man who paid it to him would both go to the penitentiary.

Senator HARDWICK. I think you also read to them the Federal statute?

Mr. NEWMAN. Yes; I called their attention to it.

Senator HARDWICK. That has all been gone over.

Mr. NEWMAN. And I also stated that our office would be the first to inform the Government if any money passed in this Speedway project.

Mr. BOUVIER. After you had given that admonition, which was for the benefit of both Hodge and Trainer and the rest, I presume, what did Trainer say, if anything?

Mr. NEWMAN. I have gone all over that. I will do it again if you want me to.

Mr. BOUVIER. No, I have that—just what Trainer said?

Senator HARDWICK. We have had that.

Mr. BOUVIER. Do you recall what he said?

Senator HARDWICK. Yes, I can tell you.

Mr. BOUVIER. You have a photographic memory, Mr. Chairman, and I trust it. Will you tell me?

Senator HARDWICK. No, I will not trust it myself, because I know its failings too well. I do not object to it, except that we must end this thing sometime.

Mr. BOUVIER. I appreciate that, and you have been very lenient in this regard, but I must confess that I have not been able to——

Senator HARDWICK. What he said Mr. Trainer said was that he was working for the Government for a dollar a year, and that people had to do without a lot of things, and if he had to give up this commission it would be an additional contribution to the Government, and he supposed he would have to do it.

Mr. BOUVIER. Is that your rendition, that which has been given by the Chairman?

Mr. NEWMAN. In substance, he said——

Mr. BOUVIER. No, no; just answer the question yes or no.

Mr. NEWMAN. If you are asking me the question, if you want to be irritating and impudent——

Mr. BOUVIER. Irritating? I never was——

Senator HARDWICK. Oh, gentlemen, you must be in order. I have been very patient with all the counsel and witnesses, but this examination must be conducted with dignity and courtesy, and with respect to the committee, both by counsel and by the witnesses who answer them; and unless counsel wants to submit some question on some phase of the matter that is not fully covered, I must, with all courtesy, request that you do not just ask the witness to repeat what has already been testified to over and over. I am sure this matter that you have asked him about now has been gone over by the witness a number of times, and it is tolerably fresh in the minds of the committee, and is tolerably well interspersed through the record. I think it probable that if you had been here during all these hearings, you naturally would be familiar with all these details that you are now seeking, which ordinarily would be very proper and very pertinent; but we have been over them all and we have not got time to duplicate the evidence in this way.

Mr. BOUVIER. Then, may I record the testimony, for the purpose of another question, that at the time that Trainer left, at the time of this conversation, he had stated his conclusion to make a contribution of what his commission would have been, to the Government?

Senator HARDWICK. Yes.

Mr. BOUVIER. As he was working for a dollar a year——

Senator HARDWICK. If you will get the record and read it, to-night or some other time, you will find all that in the evidence, and you will find that this witness testified that subsequently, I think the next day, Mr. Trainer's business partner came back with a renewal of the proposition.

Mr. BOUVIER. We will make it sufficient to-day for this proposition that he went away with the expression of a willingness to make a contribution of the amount of his commission, to the Government.

Senator HARDWICK. Yes; an unexpected contribution.

Mr. BOUVIER. Of course those things come hard, but he was willing.

Senator HARDWICK. Yes.

Mr. BOUVIER. Then it was that you shook hands heartily with him, I believe, as you have said?

Mr. NEWMAN. No, sir.



Mr. BOUVIER. Well, you shook hands with Mr. Trainer when he left?

Mr. NEWMAN. You asked me whether I shook hands with him heartily.

Mr. BOUVIER. Well, eliminate the "heartily."

Mr. NEWMAN. My recollection is that he extended his hand and I shook his hand, and we said the usual courtesies, and he retired.

Mr. BOUVIER. Very good!

Mr. NEWMAN. I can not recall just exactly word for word what was stated, every time we shook hands.

Mr. BOUVIER. Yes. Now, as I understand it—and if I am going over again what has already been testified to, I am doing it unconsciously—

Senator HARDWICK. I know that.

Mr. BOUVIER. You know that?

Senator HARDWICK. Yes.

Mr. BOUVIER (continuing). As I understand, this question that had been determined this way, by a contribution of his commission, was never brought up again by Mr. Trainer—is that right—with you?

Mr. NEWMAN. The subject of a commission?

Mr. BOUVIER. Yes. Does that go?

Mr. NEWMAN. It was never mentioned by Trainer to me after that day.

Mr. BOUVIER. Good! That finishes that question.

Mr. NEWMAN. I can recollect—

Mr. BOUVIER. No; that is fine. That is all right. Now, in regard to these two papers that were introduced here, a mysterious man tapped you suddenly on the shoulder one evening in Chicago and told you that he had certain information about bribes being associated with this Maywood affair; is that right? That is substantially what you said, is it not?

Mr. NEWMAN. You heard what I said.

Mr. BOUVIER. Give me the benefit of an answer. Is that substantially what you said, sir? I want a meeting of the minds between you and me; that is all.

Mr. NEWMAN. There is no occasion for that. I said what the gentleman said to me.

Mr. BOUVIER. And thereupon you took counsel with Mr. Hines—

Mr. NEWMAN. I did not.

Mr. BOUVIER. And with Mr. Shank?

Mr. NEWMAN. I called them in and told them what had happened. I did not take counsel with them.

Mr. BOUVIER. That is enough; you took counsel—you called them in and told them what had happened?

Mr. NEWMAN. Yes.

Mr. BOUVIER. And then forthwith came on to Washington?

Mr. NEWMAN. No, sir; I did not.

Mr. BOUVIER. How long afterwards?

Mr. NEWMAN. I can not tell whether it was one, two or three or four days.

Mr. BOUVIER. Within a short period?

Mr. NEWMAN. Yes.

Mr. BOUVIER. You came on to Washington, moved by the observations of this stranger on this particular occasion?

Mr. NEWMAN. No, sir.

Mr. BOUVIER. What did you come on for, if you did not come on actuated by that reason?

Mr. NEWMAN. My recollection is that we took the matter up in the office and I discussed it with Mr. Poppenhusen and my other partner, Mr. Stein, and Mr. Hines, and discussed it on two or three different days.

Mr. BOUVIER. I did not ask you about that. It does not interest me. What did you come on to Washington for?

Mr. NEWMAN (continuing). And finally, I think at the suggestion of Mr. Poppenhausen—that is my present recollection, I have not talked it over with him and I do not know what his recollection is but my recollection is that he was the man who made the suggestion—I decided on the plan that I had thought out in Chicago, for Mr. Hodge to make a complete statement of his connection with this matter from beginning to end and lodge the written statement with the Government, so that if any charge was ever made or any question ever arose, the document would be there to show that he made a clean-cut statement of all the circumstances and they were in the possession of the Government.

Mr. BOUVIER. Very good. That was your reason for coming here?

Mr. NEWMAN. That was my reason for coming here. That is the case. That is the case because—

Mr. BOUVIER. I do not care for any more.

Mr. NEWMAN (continuing). I was Mr. Poppenhusen's lawyer and intimate friend.

Mr. BOUVIER. Now, that being your reason for coming, the suggestion for the reason, the initial cause, was the observations of this stranger, was it not?

Mr. NEWMAN. I do not know. I can not tell. It may have had the strongest influence. I know it brought about this conference in Chicago.

Mr. BOUVIER. All right. Now, with this strong influence you came on with the view of having Mr. Hodge file a paper in the nature of a disclaimer?

Mr. NEWMAN. No; not a disclaimer.

Mr. BOUVIER. Or a release from commissions?

Mr. NEWMAN. No, sir; nothing of the kind; a simple, honest statement of the facts.

Mr. BOUVIER. Even a disclaimer would be a simple, honest statement of the facts?

Mr. NEWMAN. No; that is a legal proposition. I did not ask him to sign any contract, or any release. That was not in my mind on that occasion, but to have a simple statement of the facts.

Mr. BOUVIER. All right; a simple statement of facts. Now had you prepared in advance this simple statement of facts that you wanted Mr. Hodge to sign?

Mr. NEWMAN. I do not know.

Mr. BOUVIER. Oh, think that over. That is very simple, whether you had or not.

Mr. NEWMAN. I do not know. I can not answer whether I had prepared one or whether I had not.

Mr. BOUVIER. Well, one was prepared on that evening, was it not?

Mr. NEWMAN. No; not that I know of.

Mr. BOUVIER. Did you not hand him—may be I am wrong in my recollection—but did you not hand a document or paper to Mr. Hodge upon the evening in question, whereupon Mr. Hodge said: "If I signed that, it would be like putting a bullet in my brain," or words to that effect?

Mr. NEWMAN. No; that is not at all what occurred.

Mr. BOUVIER. You did not say that?

Mr. NEWMAN. No; I said——

Mr. BOUVIER. You did not say it. That is all right. I thought you did say it.

Mr. NEWMAN. I have stated what occurred.

Mr. BOUVIER. You did not say that, you say, so that I will not ask you further upon it.

Mr. NEWMAN. There are certain things in your question that are true and some things that are not true, so that I can not answer the question as you put it.

Mr. BOUVIER. Your answer is that you did not say it. I am perfectly content with that answer.

Senator HARDWICK. You asked him if he did not hand him a paper.

Mr. NEWMAN. A part of your question is true and a part of it not true, so that I can not answer it as you put it.

Mr. BOUVIER. Did he say that if he signed that it would be like putting a bullet in his head, or words substantially to that effect?

Mr. NEWMAN. I told him what was to be in the paper.

Mr. BOUVIER. What is that?

Mr. NEWMAN. I made the suggestion of what should be incorporated in the paper.

Mr. BOUVIER. In what paper?

Mr. NEWMAN. In the paper that was to be lodged in Maj. O'Brien's hands.

Senator HARDWICK. Was the paper there or not?

Mr. NEWMAN. Not that I recall.

Senator HARDWICK. Yes.

Mr. NEWMAN. Because I do not see how I could have prepared the paper without talking it over with him to see what he wanted in the paper. He was more familiar with what occurred between him and the Shank Co. than I was. I did not know what had occurred between him and the Shank Co.

Senator HARDWICK. Now, gentlemen, let me suggest this. I am going to take this bull right square by the horns. We are not going to have triplicate examinations of all of these witnesses. I am going to ask the attorney for the department to ask anything that relates to the interests of the department in general matters, but not to go into a detailed intricate, third repetition of all of the testimony in the way of cross-examination. We have not got time here. It is delightful to have you with us, but we simply can not stand it physically or any other way. It is bad enough to have to stand two examinations, but I think I will have to surrender if we have to go through it three times. [Laughter.]

Mr. BOWLER. I was not aware that either of these two papers had been the subject of any examination until Mr. Adcock presented them.

Mr. ADCOCK. They had not been.

Senator HARDWICK. What I say is this. If you have anything which affects the integrity of the department, its policies, or reputation, we will be glad to give you not only full opportunity, but the right of way on these questions. But on these questions involving the moral integrity of the individual employees of the department, some of them, at least, represented by counsel, or of particular projects, and the details of those projects, I do not think that you occupy exactly the position of a specially employed counsel charged with the protection of special interests, and I do not see how in the world we are going to get through if we allow that.

Mr. BOUVIER. I think you are absolutely right, sir. You invariably are.

Senator HARDWICK. No; I am generally wrong. [Laughter.]

Mr. BOUVIER. The point is this. If the observation made by Senator France has no significance other than a mere reference to a transient commission, then I do not desire to exhaust either my voice or any of you gentlemen in hearing from me.

Senator HARDWICK. None of these relates to that question. This question was whether there was anything unusual or remarkable in the fact that the office of the Assistant Secretary of War as represented by Mr. Hare did not function in response to the ordinary machinery that moved it, as I think Senator France thought, on normal occasions in a normal way.

Senator FRANCE. Yes.

Senator HARDWICK. Now, the question whether this witness presented a paper to Mr. Hodge is not related to that question at all, and while this would be within the purview of an ordinary cross-examination if we were trying a case in court, and would be permitted if counsel's or anybody's reputation was at stake, that is not this case here at all.

Mr. BOUVIER. If you think positively that it is not concerned at all with the ethical aspect of it, as I may express it, I may say that I do not care to press it further. I am not looking for trouble.

Senator HARDWICK. I think your general proposition is merely to protect the department as a whole, in a general and in a large way, and with that in view I do not see how a detailed cross-examination of the various witnesses on these detached circumstances can serve the purpose at all. I would really like to listen at it, but we have got to get through here. The 4th of March is coming on, and this thing is dragging.

Mr. BOUVIER. As long as you do not assign any ethical aspect of the case connected with the department—

Senator HARDWICK. You do not see any possible connection of the department with that, do you?

Mr. BOUVIER. Only as something that indirectly, and not directly, relates to the ethical aspect.

Senator HARDWICK. We are not blaming the department in our minds for this matter, or charging it with responsibility as between Mr. Newman and Mr. Hodge, and I do not think the department's reputation is at stake on that.

Mr. BOUVIER. Or its actions or movement?

Senator HARDWICK. Certainly none of its policies or movement; so that if you will let these other fellows—if you will pardon me for speaking informally—take up the examination, and if you will intervene only when the department is being treated unfairly in any way, I think you will get along faster.

Mr. BOUVIER. I quite agree with you, and you having interpreted my mind for me, as you have interpreted it, so clearly, I feel satisfied to go on, with your luminous interpretation.

Senator HARDWICK. I do not think the department's reputation is at stake in this at all.

Mr. BOUVIER. I thank you for that observation, sir, and I am entirely satisfied with it.

Mr. ADCOCK. You did not mention Mr. Hodge as being present at the conversation where the commission was discussed in your office when Mr. Trainer and Mr. Clark were there, at the time you were examined by Maj. Stotesbury, did you?

Mr. NEWMAN. He asked me—

Mr. ADCOCK. Did he ask you who was present?

Mr. NEWMAN. Who was present; and I gave him the names, and I said, "Another person," and he did not ask me who it was.

Mr. ADCOCK. You did not give him the name

Mr. NEWMAN. No, sir.

Mr. ADCOCK. Did you understand when Mr. Hodge thanked you for the advice that day as he was leaving the office, that he thanked you as to his conduct on that particular day; that is for the advice as to his conduct on that particular day, or as to his conduct generally in the department?

Mr. NEWMAN. I can only tell you what he said.

Senator HARDWICK. I think that is covered. Now let me suggest to counsel, too, counsel appearing for parties in this case, that the committee is very much burdened with other duties and responsibilities, and while we want to be fair and give everybody a full hearing you can facilitate matters very greatly by not just repeating the evidence and going over and over it.

Mr. ADCOCK. I want to say, and I want to beg the chairman's pardon if I did go too far, that I was very much surprised that Mr. Newman did not identify these papers and so on.

Senator HARDWICK. That is all right. I did not have any particular instance in mind. When we take a witness up, let us not try to get everything possible from him, but let us have every witness testify to what is material and not to every little fact that is in evidence. If there is anything new and pertinent that has not been brought out, just get that.

Mr. BENNET. Are you acquainted with anything else in this transaction as to which you have been examined by distinguished counsel, that has not been brought out?

Senator HARDWICK. Is there anything more, that you have not stated about this question? If so, tell it. If there is anything important that you have not testified to, let us have it. If not, you are excused.

Mr. NEWMAN. I can not think of anything.

Senator HARDWICK. You think that you have mentioned every important fact that you knew about it?

Mr. NEWMAN. Oh, I have not begun to mention all that was said.  
Senator HARDWICK. Oh, Lord, no! I hope you will not. [Laughter.]

Mr. NEWMAN. I have attempted just to give the substance.

Senator HARDWICK. We can not stand that. [Laughter.] You think that you have mentioned the material things?

Mr. NEWMAN. The substance of everything.

Senator HARDWICK. That is what the committee wants.

Mr. NEWMAN. That is what I have endeavored to do.

Senator HARDWICK. We want you to put in anything that you have left.

Mr. NEWMAN. I can not recall anything of substance or anything that is material that I have not mentioned.

Senator HARDWICK. Do you say that you know of anything that is left out, now, that is really important and material?

Mr. BENNET. If so, speak now, or forever after hold your peace.

Mr. NEWMAN. I do not want to say anything. If I had had my way, this subject would not be under discussion.

Senator HARDWICK. The committee wants to know what it is really important for it to know.

Mr. NEWMAN. I can not think of anything.

Senator HARDWICK. You do not know of anything new? Do you think of anything, Mr. Adcock?

Mr. ADCOCK. I can not think of a thing.

Mr. BOUVIER. And I am satisfied, also.

Mr. BENNET. I want to make some observations. My name was mentioned in reference to Mr. Hines going to see Gen. Goethals. Mr. Hines stated the conversation correctly, and I will be glad to submit myself to make the statement under oath if Mr. Adcocks wants to examine me.

Senator HARDWICK. At present there is no issue over that, except as to one matter suggested by the question of counsel, and when you get to it, if you want to testify to that, very well.

Mr. BENNET. Mr. Hines stated what occurred with substantial accuracy. I wanted, in my way, to establish the accuracy of the statement of Mr. Hines.

Senator HARDWICK. For the present I think I would let that matter rest. Now, was there another witness you wanted to cross-examine?

Mr. BENNET. I can fill in seven or eight minutes. There has been a suggestion that Maj. Arthur A. O'Brien be called. Mr. Hare on the stand this morning spoke very highly of Maj. O'Brien, and in lieu of calling Mr. O'Brien I can read the testimony before the Stotesbury committee. It will take about eight minutes.

Senator FRANCE. May that go in without reading?

Mr. BOUVIER. I should doubtless have occasion to call Maj. O'Brien in behalf of the War Department. I happen to know that Maj. O'Brien has been very ill. I had a few words with him yesterday, but he is swathed in bandages.

Mr. ADCOCK. While we have a little breathing space, I want to make this offer to the committee on behalf of my clients, that they will be very glad to—I make this voluntarily—to have an accountant of the committee examine their books, papers, records, bank books,

firm, individuals, and ascertain whether there ever had been a commission of any kind paid to these gentlemen in compensation——

Senator HARDWICK. Who do you mean?

Mr. ADCOCK. Clark and Trainer, either one of them, private books and papers, any commission of any kind ever paid to them for the sale of any property to the Government during the period of this war, since April 6, 1917.

Senator HARDWICK. Let us see a moment about that. In this particular matter the charges were not made that they were paid anything.

Mr. ADCOCK. No.

Senator HARDWICK. So therefore an examination of their books could not possibly disclose anything about that, or throw any light on that subject. I can not see the relevancy of that, and while we appreciate your frankness and candor, for the present I do not see that we want the books.

Senator BECKHAM. At this stage.

Senator HARDWICK. Unless subsequently a charge is made in connection with some other matter.

Mr. ADCOCK. I want to say in this connection that this is an informal examination, and there are a great many matters which Mr. Trainer had to do with in the department, and if he is such a terrible man that he had to extort money and bribes, as Mr. Newman and other have said, it is probable that on other occasions he has done so.

Senator HARDWICK. I will submit that to the committee, and later if we decide that there is any evidence that would justify it, we will be glad to send out and get the books, but for the present I can see no occasion for it. It is the only matter about which any suggestion has been made with reference to him, and it is not contended that he got any money out of it. I do not see why we should want to go into that.

Senator TRAMMEL. Not yet.

Senator HARDWICK. As I understand, there are to be other witnesses in relation to other transactions, and if they touch that, we can accept your offer.

Before we adjourn, let me make this suggestion—I am getting tired of hearing it myself—but after this week we have three weeks left of this session. There is legislation that this committee has charge of with reference to these hospitals, and a report to be made to Congress. We have got to report some bills to the Senate on this matter, and unless we all pull together, and rifle everything we are never going to accomplish it.

Senator BECKHAM. We are also busy on other committees.

Mr. BOUVIER. I should say that our direct testimony of such witnesses as we will produce will not exceed a half hour in the aggregate.

Senator HARDWICK. Let me see if I understand that. You will want to offer on behalf of the department some testimony?

Mr. BOUVIER. Yes, sir.

Senator HARDWICK. Along what lines, just so that we can see whether our minds are meeting on this question of the right method of procedure.

Mr. BOUVIER. Along the line of the question of moral obligation, as that moral obligation is affected by the question of notice.

Senator HARDWICK. You mean on the question as to whether the department is morally obligated to the owners of the Speedway hospital? You would like to offer some evidence on that?

Mr. BOUVIER. Yes, and we will not be more than a half hour. I do not want to impinge upon your time.

Senator HARDWICK. When would you like to offer that kind of evidence?

Mr. BOUVIER. Just as soon as these other gentlemen get through. I would like to give Maj. O'Brien as much chance to convalesce as he can get.

Do I understand that Secretary Baker is to be here tomorrow?

Senator HARDWICK. He will be here as soon as his duties will permit. Who do you want beside Maj. O'Brien?

Mr. BOUVIER. I will have to have Col. Wright back here.

Senator HARDWICK. Something new?

Mr. BOUVIER. Well, it is new to me. I do not think I will be more than five minutes.

Senator HARDWICK. The trouble is when you reopen, the lawyers come back with questions again, and there is no end to it. Still I think that you will find so far as Col. Wright is concerned he has covered practically the whole question; unless he knows something that he did not disclose in his first examination, I would not care to have him back again.

Mr. BOUVIER. There is one point.

Mr. ADCOCK. I would like to have the attendance of Mr. Erskine at 11 o'clock for further cross-examination.

Senator HARDWICK. I do not know whether he will be here tomorrow.

(Thereupon, at 4.40 o'clock p. m., the subcommittee adjourned until tomorrow, Wednesday, February 5, at 11 o'clock p. m.)





## MILITARY HOSPITALS.

WEDNESDAY, FEBRUARY 5, 1918.

UNITED STATES SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON  
PUBLIC BUILDINGS AND GROUNDS,  
*Washington, D. C.*

The subcommittee met pursuant to adjournment, in the committee room in the Capitol at 11 o'clock a. m.. Senator Thomas W. Hardwick presiding.

Present: Senators Hardwick (acting chairman), Beckham, Trammell, France, and Lenroot.

The ACTING CHAIRMAN (Senator Hardwick). Gentlemen, there is a matter that I want to submit to the committee. I have just received a telegram from Mr. Richard E. Schmidt, saying that Mr. Adcock had requested that he return to Washington for the purpose of further cross-examination, and that if the committee was disposed to allow it, he requested that he be allowed to return on Monday, the 10th instant, to give evidence. As far as I am concerned—I am not undertaking to make a ruling for the committee; I should like to have your judgment about it—my own opinion is that the counsel on either side ought not to be permitted just to recall the witnesses to examine them over again, unless something new is developed. We have got to get to the end of this thing some time.

Senator LENROOT. So far as I am concerned, this matter has got to come to a conclusion very soon.

Senator HARDWICK. That is the truth. I do not know whether we can stay in session much longer or not.

Mr. ADCOCK. I thought if he could be here Saturday—

Senator HARDWICK. Does it bear upon a material matter?

Mr. ADCOCK. He was one member of the commission.

Senator HARDWICK. Oh, well, he was examined fully about that. Maybe you did not ask every question you would like to ask.

Senator FRANCE. Did you not examine him?

Mr. ADCOCK. I did examine him, but, if you remember, there was one examination that was made by Senator France, and I asked then—it was an interpolation in Mr. Hines's testimony—I asked then that I might be permitted to examine him further.

Senator FRANCE. Can you turn to that place in the testimony?

Mr. ADCOCK. I do not think I have that copy yet.

Senator HARDWICK. My recollection is that he asked us if we wanted him to stay over, and we told him no, so far as we knew.

Senator FRANCE. Mr. Schmidt's testimony is all transcribed.

Senator HARDWICK. If something new has developed, that may be another matter.

Mr. ADCOCK. There is a question now in reference to this Field Museum matter. The whole construction end of it was figured by Mr. Schmidt with Mr. Graham. If there is any question arising with reference to that, I want to be able to show just exactly what occurred, that he approved everything, and the whole matter was figured out by him; Mr. Trainer had nothing to do with that end of it.

Senator FRANCE. His testimony showed that he did not approve of everything, and that he wrote a letter to that effect, I think.

Mr. ADCOCK. I do not think it shows that. I think the testimony shows that he did—

Senator FRANCE. Have you Mr. Schmidt's testimony there?

Mr. ADCOCK (continuing). That the committee had to be unanimous in order to act.

Senator HARDWICK. At any rate, whatever his testimony is, it is pretty voluminous, and unless there is something new that has developed, or some fact which is material which has come to your knowledge subsequently, I do not think we ought to send back a witness for examination.

Senator LENROOT. This inquiry will have to come to an end pretty soon as far as I am concerned. There are other duties that are just as important as this.

Senator HARDWICK. Take the case of the chairman this morning: I have got to go down to the Appropriations Committee. I am chairman of the subcommittee on the District of Columbia, and I am notified that I must be there, and have left there to come up here just to get this thing started. We simply will have to suspend.

Mr. ADCOCK. I appreciate that, of course, and I feel that we all want to get through with the matter. I am here only for one—

Senator HARDWICK. Mr. Adcock, let me put it to you in this way: The reason why you are appearing is because of Mr. Trainer's connection with this matter, and to reply to the assault on his integrity. I do not think this question of whether the Field Museum figures are high or low, or whether Mr. Schmidt agrees to them or not, is material to your defense of Mr. Trainer, because there is no charge against Mr. Trainer, as I understand, about that; is there?

Mr. BENNET. About the Field Museum? No. The action of the commission—

Mr. ADCOCK. The only thing, if the committee will permit me, is that if in the course of the testimony, as we go on, it should appear that his testimony is material, then may I renew my request?

Senator FRANCE. Yes.

Senator HARDWICK. I do not see its materiality now. It looks to me as though he was examined pretty thoroughly; and let me caution counsel on both sides that we can not be sending back for these witnesses and starting over again. For instance, you have taken Mr. Shank the second time, Mr. Newman the second time, and—

Senator LENROOT. Mr. Newman, it was understood at the time, was under cross-examination.

Senator HARDWICK. No; I think that was so about Mr. Poppenhusen.

Senator LENROOT. It was true of Mr. Newman, too.

Senator HARDWICK. Well; it does not make any difference.

Mr. ADCOCK. I did not request Mr. Newman to come back.

Senator HARDWICK. You did not?

Mr. ADCOCK. No; he came here to correct his testimony.

Senator HARDWICK. Anyhow, I am not trying to locate the responsibility, but I am saying what is happening. We are going the second round of these witnesses. Now, we do not want that. We have not time to do that.

Mr. ADCOCK. I did not understand that Mr. Shank had been examined before. Had he testified before I came into the case?

Mr. BENNET. No, no. The arrangement was this: Mr. Shank went on the stand before we had the Stotesbury report, and the understanding was—

Senator HARDWICK. Oh, yes; I remember, there was some trouble about that. We were having that report copied, and you gentlemen could not get access to it. I remember that. There was some excuse for that.

Mr. ADCOCK. There was no time lost on it.

Mr. BENNET. Except Mr. Shank's time. He has been waiting here for a week.

Senator HARDWICK. Mr. Shank will be your next witness, will he?

Mr. BENNET. Yes, sir.

Senator HARDWICK. Before you start with him, I wish to announce that to-morrow at 11 o'clock Secretary Baker will appear to give his statement about this matter. We have just received word to that effect. I shall not be able to be here during the day, or at least during the morning session, but the other gentlemen of the committee will conduct the proceedings; and I suggest that you try to clear up all the little things you have between now and to-morrow morning, and if Mr. Adcock gets time he can put Mr. Trainer on the stand, if he wants to do so. The committee, however, will have to pass on that question. I have not consulted with the Department of Justice, but I have examined the authorities to some extent, and I do not think the committee would confer any immunity on anybody unless they forced him to testify.

Senator LENROOT. He has stated his intention to waive everything of that kind.

Senator HARDWICK. If he intends to waive that and make a voluntary statement—

Mr. ADCOCK. I will state that he appears voluntarily.

Senator LENROOT. You can make that statement when you put him on.

Mr. ADCOCK. Very well.

Senator HARDWICK. I will ask Senator Trammell to take the chair, so that I can get back to the Appropriations Committee, if you please, sir.

#### TESTIMONY OF MR. GEORGE H. SHANK—Resumed.

Mr. ADCOCK. Mr. Shank, you testified here the other day, did you not?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. Will you state how many times Clark and Trainer were ever at your office?

Mr. SHANK. Once.

Mr. ADCOCK. Do you remember just the date when that took place?

Mr. SHANK. No; I do not.

Mr. ADCOCK. You say you went out to the Speedway Park to look that over with Mr. Trainer and Mr. Clark, and I understood you to say Mr. Wheelock?

Mr. SHANK. That is right.

Mr. ADCOCK. And you think that was during the time of the medical convention in Chicago?

Mr. SHANK. Yes, sir; that is my remembrance.

Mr. ADCOCK. Is it agreed that the convention occurred during the week beginning the 9th of June and ending the 15th of June?

Mr. BENNET. I have no information to the contrary. That is my best information, that it occurred in the first part of June.

Mr. ADCOCK. I will state the situation, and you can take my statement as true or not. There are some dates that people remember. A member of my family unfortunately died on the 15th of June after an operation, and I happen to remember that, and that the attending surgeon was then attending this medical convention; so that if you want to verify that—

Mr. BENNET. I have no doubt about it.

Mr. ADCOCK (to the witness). Mr. Clark drove his automobile out that day, did he not?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. Where did he get you?

Mr. SHANK. In front of the building, at my office.

Mr. ADCOCK. Somebody called you up and told you. Who was it; do you remember?

Mr. SHANK. I do not remember; no. I did not take the telephone communication.

Mr. ADCOCK. You did not get the telephone communication?

Mr. SHANK. No.

Mr. ADCOCK. And they told you to meet them down stairs?

Mr. SHANK. No; they asked for a pass for Mr. Trainer to go to the park.

Mr. ADCOCK. I see.

Mr. SHANK. And I suggested that I would go with them.

Mr. ADCOCK. I see. So you met Mr. Clark?

Mr. SHANK. Mr. Clark and Mr. Trainer.

Mr. ADCOCK. Are you sure Mr. Trainer was along when you got in the automobile?

Mr. SHANK. Yes.

Mr. ADCOCK. And you recognized Mr. Clark and Mr. Trainer from having seen them in your office before?

Mr. SHANK. Oh, no; that was the first time I had seen them.

Mr. ADCOCK. That is the first time you saw them. How did you distinguish them?

Mr. SHANK. Oh, I have known who they were from passing them on the street for a great many years, both of them.

Mr. ADCOCK. But you never had met them before?

Mr. SHANK. I never had met them; no.

Mr. ADCOCK. Then you went out to the Speedway. Did Mr. Trainer explain to you the program he had for the establishment of a hospital on the Cub Ball Park in conjunction with the State and the Government and certain individuals that were to put up some money?

Mr. SHANK. Not at that time.

Mr. ADCOCK. Not when he went out to the Speedway?

Mr. SHANK. No.

Mr. ADCOCK. When did he explain it to you?

Mr. SHANK. In Mr. Newman's office, the last time.

Mr. ADCOCK. That was the only time you ever heard him speak of it. As I remember, you testified the other day that he mentioned certain sites for hospitals, among others the Cub Ball Park.

Mr. SHANK. He did.

Mr. ADCOCK. And some public parks there, like Marquette Park and Columbus Park?

Mr. SHANK. I do not think it was Marquette Park. I think it was another little park over on the west side somewhere.

Mr. ADCOCK. Columbus Park?

Mr. SHANK. I have forgotten the name of it.

Mr. ADCOCK. But he did not say anything about the kind of a hospital that was going up there, that he had in mind?

Mr. SHANK. He did not do much talking on the trip to the Speedway Park. He was just looking at the various sites.

Mr. ADCOCK. Did he say then that he had had any conversation with Col. Billings and a Mr. Thorn about the Speedway Park as a site for this hospital?

Mr. SHANK. I do not think so. He said he was going to see if he could not take them out there and show it to them.

Mr. ADCOCK. Did he ask you for a plat of the property?

Mr. SHANK. Yes.

Mr. ADCOCK. When was that?

Mr. SHANK. He wanted to know if we had a plat of it.

Mr. ADCOCK. When did he ask you for a plat of it?

Mr. SHANK. When we were out at the park.

Mr. ADCOCK. And you sent him a plat, did you?

Mr. SHANK. My remembrance was that we had one fixed up and sent him.

Mr. ADCOCK. I do not know that it is necessary to introduce the plat; but, anyway, you sent him a plat of the property that showed the location of the buildings on it?

Mr. SHANK. Mr. Wheelock did; not I.

Mr. ADCOCK. But you caused it to be sent?

Mr. SHANK. Yes; I gave the order for it.

Mr. ADCOCK. When was that? Do you know?

Mr. SHANK. I have no idea.

Mr. ADCOCK. Was it sent just about the time of your last conference in Mr. Newman's office?

Mr. SHANK. No. I think it was a day or so after the—I could not tell you when it was; I do not remember.

Mr. ADCOCK (addressing the acting chairman). I just want to say that Mr. Bouvier told me that he would be a little late in coming here this morning. [To the witness:] How long after this trip to the Speedway Park did Mr. Clark and Mr. Trainer come to your office, as you say?

Mr. SHANK. It was several days, I think.

Mr. ADCOCK. How long?

Mr. SHANK. I have no idea.

Mr. ADCOCK. Was it more than five days?

Mr. SHANK. I should think it was around that, four or five days; something like that. Maybe it was longer than that. I do not know.

Mr. ADCOCK. You would not think it was more than 10 days, would you?

Mr. SHANK. I had seen Mr. Trainer once before. He had come to my office, you know. I met him once before.

Mr. ADCOCK. Once before then?

Mr. SHANK. Yes; before he came to my office.

Mr. ADCOCK. Where did you meet him?

Mr. SHANK. At Mr. Poppenhusen's office.

Mr. ADCOCK. I will get to that later, but I wanted to know if you could fix the date of the conversation.

Mr. SHANK. No; I do not remember it.

Mr. ADCOCK. You have not any way of doing that?

Mr. SHANK. No.

Mr. ADCOCK. Now, was not the conversation at your office prior to the trip to the speedway?

Mr. SHANK. Oh, no.

Mr. ADCOCK. You are sure of that?

Mr. SHANK. Absolutely.

Mr. ADCOCK. On June 25, when you were in Mr. Poppenhusen's office, what did you talk about?

Mr. SHANK. About that very plat that you have got there, or the plat that we sent over.

Mr. ADCOCK. This plat here?

Mr. SHANK. Yes; I think that is it.

Mr. ADCOCK. Just simply about the valuations of the property?

Mr. SHANK. Oh, no; he wanted to know what we had on the property—

Mr. ADCOCK. The elements of value?

Mr. SHANK. And to tell us to put the stuff on the plat.

Mr. ADCOCK. Was Mr. Hodge there that day?

Mr. SHANK. Yes.

Mr. ADCOCK. Does the fact that the date on this plat is June 27, 1918, enable you to fix it?

Mr. SHANK. I should think that would probably be about right.

Mr. ADCOCK. So you think that on the 25th of June you had this plat prepared?

Mr. SHANK. Oh, no; we had the plat, but these notations were what he wanted us to put on here, showing what was on the ground.

Mr. ADCOCK. Then you think the plat was dated June 27 after the notations were put on?

Mr. SHANK. Oh, certainly.

Mr. ADCOCK. Not before?

Mr. BENNET. Where are the notations? Are these what you refer to [indicating on plat]?

Mr. SHANK. Yes; so as to have it so that he could show what there really was on there, and not forget it.

Mr. ADCOCK. There was not any mention of commissions on that day?

Mr. SHANK. No, sir.

Mr. ADCOCK. Not a word?

Mr. SHANK. Not a word.

Mr. ADCOCK. Are you sure that you were not present at any conversation in Mr. Newman's office or Mr. Poppenhusen's private office when commissions were talked about?

Mr. SHANK. I do not think I have ever heard the word "commission" in either one of their offices.

Mr. ADCOCK. Just to refresh your recollection, you do not have any recollection of any talk about commissions in Mr. Poppenhusen's office at any time when you were present?

Mr. SHANK. No, sir; that is right.

Mr. ADCOCK. Now, you say you had a conversation with Mr. Trainer at Gerstenberg's on November 23?

Mr. SHANK. Yes. It was a very small one.

Mr. ADCOCK. A very short conversation?

Mr. SHANK. Yes.

Mr. ADCOCK. Were commissions mentioned at that conversation?

Mr. SHANK. No, sir.

Mr. ADCOCK. The word "commission" was not mentioned?

Mr. SHANK. No, sir.

Mr. ADCOCK. Did Mr. Trainer say that "if you had gone ahead and paid me a commission the matter would have gone through"?

Mr. SHANK. He did not.

Mr. ADCOCK. Did you understand that the words which you say he said intended to imply that?

Mr. SHANK. No, sir.

Mr. ADCOCK. Do you remember the exact words that were used—the exact words, but the substance, more than what you have stated?

Mr. SHANK. No; I could not tell you. The substance of the conversation was that he considered that I had been—he said that I had been "knocking," and that it would not get me anywhere; that I could better not have had anything to say about it. He led me to infer that I was not making much progress toward getting my hospital by the way I was talking. I think that is what he meant to infer.

Mr. ADCOCK. To whom did you talk about the conversation?

Mr. SHANK. Mr. Newman and Mr. Hines.

Mr. ADCOCK. What did you say to Mr. Newman and Mr. Hines?

Mr. SHANK. Practically what I said to you.

Mr. ADCOCK. You did not say that the word "commission" was mentioned?

Mr. SHANK. No, sir.

Mr. ADCOCK. Or any words that would imply that Mr. Trainer stated to you that if you had gone along and paid him a commission the matter would have gone through?

Mr. SHANK. No; my remembrance of what he said, as near as I can get his exact wording, is that if I had went along as I was and had not been knocking, everybody would have been better off.

Mr. ADCOCK. Now, Mr. Shank, where were you and Mr. Hines and Mr. Newman sitting in Gerstenberg's?

Mr. SHANK. We started up in the—you know, there are two or three little steps to get up to go into the back room. There was no



tables down in front that was vacant. I went up there to see if I could get a table there, and Mr. Trainer spoke to me. Afterwards, after I had been talking there, there was somebody vacated a table, and Mr. Hines sent up for me, and we sat down in front.

Mr. ADCOCK. You shook hands, did you?

Mr. SHANK. I do not remember.

Mr. ADCOCK. You do not remember about that?

Mr. SHANK. I do not think so.

Senator TRAMMELL. What is the materiality of that, whether they shook hand or not?

Mr. ADCOCK. And Mr. Trainer introduced you to a gentleman that was with him?

Mr. SHANK. Yes.

Mr. ADCOCK. Mr. McGurrin, was it?

Mr. SHANK. I do not know.

Mr. ADCOCK. You do not recall the name?

Mr. SHANK. I did not hear his name.

Senator TRAMMELL. Was not this gone over in the first cross-examination of Mr. Shank?

Mr. ADCOCK. No; I think not. I want to show the exact conversation. [To the witness:] Mr. Trainer said: "How are you getting along," did he?

Mr. SHANK. Yes.

Mr. ADCOCK. And you said, in substance: "Not very well; I am all through, and going back to Chicago"?

Mr. SHANK. That is right.

Mr. ADCOCK. Trainer said: "What are you knocking me for," or something like that?

Mr. SHANK. No; he did not say what was I knocking him for. He put everybody in that I had been knocking, I guess. I say, I think he included everybody.

Mr. ADCOCK. Oh; "Why are you knocking?"

Mr. SHANK. Yes; a general statement.

Mr. ADCOCK. And you said: "I am not knocking you"?

Mr. SHANK. Yes.

Mr. ADCOCK. And Trainer said, substantially: "But your friends are"; did he not?

Mr. SHANK. I do not remember that.

Mr. ADCOCK. Substantially that; and you said: "But I am not, and I can not help it," or something to that effect?

Mr. SHANK. I do not remember that at all.

Mr. ADCOCK. Then did not Trainer say: "I am sorry you got mixed up in it, and I am not blaming you personally. How long are you going to be here?"

Mr. SHANK. No. I told him I was going home that night.

Mr. ADCOCK. I see; but there was not any mention of commissions in the matter?

Mr. SHANK. No, sir.

Mr. ADCOCK. And you did not tell Mr. Hines anything like a statement like this: "How is your hospital getting along?" Trainer said; and then you said: "It seems to be in a rather desperate situation"; and then Trainer said: "If you had gone along and given me a commission," or words to that effect, "you would not have had any

trouble. Now, you will find that it does not pay to knock." Nothing like that was said?

Mr. SHANK. Well, yes; only that the meaning there—what I gathered from the meaning—is entirely different.

Mr. ADCOCK. But nothing like this was said?

Mr. SHANK. There was nothing said about a commission at all.

Mr. ADCOCK. And you did not understand that anything was said that would imply anything like what I have read?

Mr. SHANK. No.

Senator FRANCE. What are you reading from?

Mr. ADCOCK. I am reading from the statement of Mr. Bennet before this committee when this matter was taken up.

Mr. BENNET. What page, Senator?

Senator FRANCE. Page 11 in one of the reports.

Senator LENROOT. Was there any evidence tending to corroborate that statement on the part of anybody?

Mr. ADCOCK. This is the only evidence.

Senator LENROOT. Was the conversation gone into by anybody?

Mr. ADCOCK. No, sir.

Senator LENROOT. This is the first time it came out?

Mr. ADCOCK. It came out by Mr. Shank.

Senator LENROOT. I mean, by Mr. Shank.

Mr. ADCOCK. Yes.

Senator FRANCE. That is Mr. Bennet's testimony?

Mr. BENNET. I did not testify. I was asked by the committee to make an opening statement, and I made a statement of facts.

Mr. ADCOCK. I should like to inquire of Mr. Hines if he told Mr. Bennet the conversation in substance as Mr. Bennet has stated it here before the committee.

Mr. BENNET. We have a written memorandum of the conversation that Mr. Hines dictated on the night it occurred, which we shall be very glad added to hand to the committee.

Mr. ADCOCK. Then you wish to say that the statement of the witness with reference to what he told Mr. Hines is untrue?

Mr. BENNET. Are you examining me or Mr. Hines?

Mr. ADCOCK. I just want to get your idea on it.

Mr. BENNET. We will produce the memorandum and hand it to the committee, and put it in the record, and let the committee consider it.

Mr. ADCOCK. I see. You had a memorandum of this conversation?

Mr. BENNET. Oh, yes.

Mr. ADCOCK. I see. [To Mr. Shank:] Now, when you saw Mr. Hines in June about this conversation, this talk about commissions, were you and Mr. Foster indignant?

Mr. SHANK. No.

Mr. ADCOCK. Was Mr. Hines indignant?

Mr. SHANK. Yes; very.

Mr. ADCOCK. You thought his sense of propriety was shocked, did you?

Mr. SHANK. Absolutely.

Mr. ADCOCK. But there was not any amount mentioned at that conversation with Mr. Hines?

Mr. SHANK. Not that I remember.

Mr. ADCOCK. You do not recall any?

Mr. SHANK. No, sir.

Mr. ADCOCK. When did you first hear of the commission talk in conversation in Mr. Newman's office?

Mr. SHANK. I do not remember the date. It was shortly after it happened.

Mr. ADCOCK. Did you have any conversation with Mr. Hodge subsequently to September 10, here in Washington?

Mr. SHANK. September 10?

Mr. ADCOCK. Yes.

Mr. SHANK. I may have, but I do not remember it.

Mr. ADCOCK. Did you have any conversation with him about commissions or compensation?

Mr. SHANK. No, not that I remember.

Mr. ADCOCK. And did Mr. Hodge tell you that your course, in the statement that you wanted to see him compensated, was embarrassing him very much.

Mr. SHANK. No.

Mr. ADCOCK. That he could not, of course, under any circumstances, accept a commission?

Mr. SHANK. I do not remember of any such meeting.

Mr. ADCOCK. Was that meeting in the morning, a couple of days after the 10th, the 12th, or 13th of September?

Mr. SHANK. I say, I do not remember of any such meeting.

Mr. ADCOCK. Do you remember his stating to you that if you felt that some compensation ought to be made, or that something was coming from you to somebody on this thing, you had a lovely wife and a couple of fine boys, and that it would be a fine thing to establish a fund for a permanent library at this hospital?

Mr. SHANK. I know we talked about a library, but it was before September.

Mr. ADCOCK. Did not that suggestion come from Mr. Hodge to you, and did not you say that you thought that was a fine idea?

Mr. SHANK. He told me that he was going to hold me up and make me give him a library. That is what he told me.

Mr. ADCOCK. And you said you thought that would be a fine scheme; did you not?

Mr. SHANK. I thought it would; yes.

Mr. ADCOCK. Now, you remember the conversation with Maj. Magnusen; do you not?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. And that was when, that you spoke of in your direct examination?

Mr. SHANK. That was early in the spring.

Mr. ADCOCK. About a year ago, was it not?

Mr. SHANK. Yes.

Mr. ADCOCK. And he said, using your words:

Well, you do not want to waste your time on the Speedway Park for a warehouse. The Government ought to have it for a hospital. That is the best place in town for it.

Mr. SHANK. That is practically what he said; yes, sir.

Mr. ADCOCK. Practically the very words that he said?

Mr. SHANK. That is what started the whole proposition.

Mr. ADCOCK. Then, again, you had a conversation with Col. Billings; did you not?

Mr. SHANK. No; I did not.

Mr. ADCOCK. No—with Mr. Kniskern?

Mr. SHANK. Well, I have had several conversations with Mr. Kniskern, but never about this hospital.

Mr. ADCOCK. I see. Well, what conversation did you have with him? What was it about?

Mr. SHANK. About our warehouse.

Mr. ADCOCK. You said, in cross-examination:

It was on Decoration Day, I think it was, that I got a telephone communication asking me to come over to the building, that a Col. Kniskern, of the Quartermaster's Department, wanted to see me. I went over there, and he wanted to know if I could lease to the Government those buildings. I told him that I did not care to, because I was building them for a concern of mine, and that I did not like the kind of lease the Government made, anyway. He says—

And these are about the exact words, are they not?

Mr. SHANK. Yes.

Mr. ADCOCK (reading):

You are not very patriotic, are you?

Mr. SHANK. That is right.

Mr. ADCOCK (reading):

And I said—

That is, referring to you, and using the exact words:

Yes, that. I thought I was; and he said: "Well, it doesn't make any difference whether you want to rent them or whether you do not; you have leased them. I will take these buildings"—

And you related the exact words of that conversation?

Mr. SHANK. That is practically it.

Mr. ADCOCK. I see.

Mr. SHANK. That was the first building.

Mr. ADCOCK. What was there about those conversations that caused you to remember the exact words that were used, when you can not remember the exact words that were used by Mr. Trainer and Mr. Clark when they came to your office, and you say they talked about compensation, or something, or your surmised that they did, or you inferred that they did?

Mr. SHANK. Because it was such a new proposition; I had never heard of it before, and it was a new one to me, and it impressed my mind.

Mr. ADCOCK. But if it was a new proposition, and that impressed it on your mind, if it was rather an extraordinary occurrence, would you not remember the exact words that were used?

Mr. SHANK. Not necessarily.

Mr. ADCOCK. You think that your mind would not work that way, or your memory would not work that way?

Mr. SHANK. Well, it is according to the impression that it made on me.

Mr. ADCOCK. It was an extraordinary occurrence, you thought?

Mr. SHANK. Yes; very.

Mr. ADCOCK. So that you went immediately with Mr. Foster to Mr. Hines? Is that so?

Mr. SHANK. Well, because we said that we would see Mr. Hina.

Mr. ADCOCK. And it was an unusual thing, but you did not remember the exact words that were used?

Mr. SHANK. No. I think I have given pretty close to it.

Mr. ADCOCK. There was not any amount mentioned?

Mr. SHANK. No; not to my remembrance.

Mr. ADCOCK. I think that is all.

Mr. BENNET. Just one or two questions. I did not quite understand your reply in regard to the date on this map, the date of June 27.

Mr. SHANK. My reply was that this date was put on after the meeting in Poppenhusen's office.

Mr. BENNET. Did you take the map away with you from Poppenhusen's office?

Mr. SHANK. Oh, certainly—Mr. Wheelock did; not me.

Mr. BENNET. Mr. Wheelock is an architect of Chicago?

Mr. SHANK. Yes, sir; and he made all these notations and everything on that.

Mr. BENNET. And everybody has testified that he was present at this meeting of June 25 in Mr. Poppenhusen's office?

Mr. SHANK. Yes, sir; I think so.

Mr. BENNET. And this map, or one similar to it—of course this is merely a blue print—

Mr. SHANK. That is just a blue print; that is all.

Mr. BENNET. I am not familiar with such matters, but can this sort of blue print be struck off indefinitely?

Mr. SHANK. Oh, yes; we can make a million of them.

Mr. BENNET. And after the meeting of June 25 in Mr. Poppenhusen's office, he put on these various matters that are on this map under the head of "Legend: Quantities of various pipes, sewer pipes, tile," apparently, "sewer drain pipes; grand total, 94,870;" and at the bottom:

Plat of 320 acres lying between West Twelfth and Twenty-second Streets and First and Ninth Avenues, showing water supply, sewerage, drainage, walks, roads, and certain building improvements, Chicago, Illinois, June 27, 1918. Wheelock & Shank, architects, Chicago, Ill.

Mr. SHANK. Yes.

Mr. BENNET. That Shank is not you; it is your son?

Mr. SHANK. That is my son.

Mr. BENNET. Tell us that whole conversation about the library with Mr. Samuel H. Hodge.

Mr. SHANK. Well, there was not much of it.

Mr. BENNET. Then it will not take you long to tell it.

Mr. SHANK. We got to talking about the different things that were going into this thing, and he asked me if there was a library in it and I said I thought there was a place for a library. He says: "Well," he says, "for what I have done for you, I will tell you what you had better do. You had better have your wife donate a library."

Mr. BENNET. To the Speedway Hospital building?

Mr. SHANK. To the Speedway Hospital building. I says: "I don't know about that." "Well," he says, "I do," he says, "and you are going to have a library out there. I will see to that."

Mr. BENNET. He was going to see to it that you donated it?

Mr. SHANK. That is the sum and substance of it. He told me he would hold me up for it. That was the words, I think, he used.

Mr. BENNET. And before that time he had done a lot of work?

Mr. SHANK. Oh, he had done a lot of work for me in various things.

Mr. BENNET. But in connection with this Speedway tract?

Mr. SHANK. Oh, yes; he told me where to go, and who to see, and all that sort of thing.

Mr. BENNET. But I am referring to the time before he went into the Government service, when he had this in his hands as a real estate agent.

Mr. SHANK. Yes, sir; he did.

Mr. BENNET. For which he had received no compensation?

Mr. SHANK. Absolutely.

Mr. BENNET. And he said that he was going to see to it——

Mr. SHANK. That the boys would have a technical library.

Mr. BENNET. Bought and paid for by you, and donated to the Speedway Hospital?

Mr. SHANK. That is it.

Mr. BENNET. Out of which he would get nothing at all?

Mr. SHANK. Oh, no; he would get nothing.

Mr. BENNET. Now, did this Decoration Day conference with Col. Kniskern relate in any way to the Speedway?

Mr. SHANK. Oh, no; that was long before.

Mr. BENNET. Senator Trammel was not on the committee at that time.

Mr. SHANK. That was a year before.

Mr. BENNET. That related to some warehouse buildings?

Mr. SHANK. Some warehouse; yes, sir.

Mr. BENNET. That you were building in the city of Chicago?

Mr. SHANK. Yes, sir.

Mr. ADCOCK. I want to say, just for the purpose of shortening the examination, that I merely wanted to bring out by that the fact that he could remember the words that were used at that conversation——

Senator LENROOT. I think the committee understood that.

Mr. BENNET. Senator Trammell was not on the committee at that time, and I wanted to make it clear that that referred entirely to other matters.

Just one more question. When you went out with Mr. Trainer, Mr. Clark, and Mr. Wheelock to the Speedway, did Mr. Trainer at that time tell you that he was in the Government service? I think you have testified to that.

Mr. SHANK. I do not know as he said "Government service." He said that he was looking up sites for the Surgeon General's division or department.

Mr. ADCOCK. Did he not say, Mr. Shank, that at the request of the Surgeon General's office he was to give a report as to the elements of value of this particular piece of property and the buildings, etc., that were on it? He did not want any plan of a hospital, simply a question of site; that was all?

Mr. SHANK. That was all. There was no hospital business about it; just sites for a hospital, as I understood.

Mr. ADCOCK. Yes.

Mr. BENNET. That is all.

Mr. BENNET. Mr. Foster is here.

Mr. ADCOCK. Is Mr. Poppenhusen here?

Senator TRAMMELL. Who is the next witness?

Mr. ADCOCK. I should like Mr. Foster to go on the stand now.

Mr. BENNET. I should say that we telephoned up to the New Willard, and we find that Mr. Poppenhusen's train is apt to be late, and we left word with the room clerk that as soon as he arrives he is to call us up here, and we will have him come right down.

Mr. ADCOCK. You say he is here in town?

Mr. BENNET. No, sir—well, that is rather a broad statement.

Mr. ADCOCK. He was to be here this morning.

Senator LENROOT. You expect him here?

Mr. BENNET. We expect him here; but the western trains, as Senators know, probably, are sometimes late, and we have left word with the room clerk that as soon as he registers he is to call up the clerk of the committee.

#### TESTIMONY OF MR. FRANK H. FOSTER—Resumed.

Mr. ADCOCK. Mr. Foster, when was the first time that you met Mr. Clark and Mr. Trainer, or either one of them?

Mr. FOSTER. As I recall it, the first time was in my office.

Mr. ADCOCK. What date was that?

Mr. FOSTER. I should say the latter part of June.

Mr. ADCOCK. Was it not about the 1st of June, during this convention of doctors, or just before?

Mr. FOSTER. No: it was in the latter part of June, or it might possibly have been in the first days of July; I do not know. I think it was the latter part of June.

Mr. ADCOCK. Was the word "commission" or "compensation" mentioned at that conversation?

Mr. FOSTER. Yes.

Mr. ADCOCK. You are positive of that?

Mr. FOSTER. Yes.

Mr. ADCOCK. Was not this the conversation: Did not Mr. Trainer come into the office and say: "I have been asked by the Surgeon General's office to ascertain the elements of value of the Speedway Park property, and if you have a plat of property which shows the buildings and the other improvements that may be there, I would like that have that"?

Mr. FOSTER. I do not know; I can not say that he did not, but not in my presence. He talked there a little bit before he talked with me.

Mr. ADCOCK. You have heard Mr. Shank testify in this case, have you not?

Mr. FOSTER. I have.

Mr. ADCOCK. And Mr. Shank stated that there was nothing said in reference to this matter while you were out of their presence.

Mr. FOSTER. I think he said he talked with them a very few moments.

Mr. ADCOCK. But not about any question of the property until you came in.

Mr. FOSTER. I heard him say that; yes.

Mr. ADCOCK. You heard him say that, did you not?

Mr. FOSTER. Yes.

Mr. ADCOCK. So that you were present during the entire conversation with reference to this Speedway Park matter when they were at your office? Is not that your best recollection?

Mr. FOSTER. No; I do not think you quite state it right. You asked me a moment ago if Mr. Shank had testified about the plat. I do not know what was said before they came to me, if anything.

Mr. ADCOCK. But if Mr. Shank testified that there was not anything said about this Speedway Park project before you came up to where they were in the office, you would think that that was true, would you not?

Mr. FOSTER. I would think so; yes, sir.

Mr. ADCOCK. You made a statement before Maj. Stotesbury on November 6, 1918, did you not?

Mr. FOSTER. Well, I do not remember the date.

Mr. ADCOCK. It was about that time?

Mr. FOSTER. Yes, sir; it was the fore part of November.

Mr. ADCOCK. And at that time he asked you the following questions, did he not, and you made the following answers?

Mr. BENNET. What page is this on?

Mr. ADCOCK. Page 261.

Mr. BENNET. Thank you.

Mr. ADCOCK. Now, what was the conversation between you and Mr. Hines and Mr. Shank after this conversation at your office?

Mr. BENNET. You are not reading from page 261 now?

Mr. ADCOCK. Not now.

Mr. BENNET. Oh, I beg pardon.

Mr. FOSTER. I told Mr. Hines that Mr. Clark and Mr. Trainer had been in our office, asking us to introduce Mr. Trainer to Mr. Hines. I was not quite clear in my mind as to just what additional was said, as to what was to be done after that, at that time.

Mr. ADCOCK. Did you mention the word "commission" or "compensation?"

Mr. FOSTER. You mean in my testimony?

Mr. ADCOCK. To Mr. Hines.

Mr. FOSTER. At the time I talked with him?

Mr. ADCOCK. Yes.

Mr. FOSTER. Yes.

Mr. ADCOCK. Did you mention any sum of money?

Mr. FOSTER. I do not recall mentioning any sum.

Mr. ADCOCK. You do not remember mentioning the sum of \$100,000?

Mr. FOSTER. I do not recall anything like that.

Mr. ADCOCK. Do you remember mentioning the name of any banker in Chicago?

Mr. FOSTER. You mean——

Mr. ADCOCK. At the Hines conversation.

Mr. FOSTER. Yes; I did.

Mr. ADCOCK. Now I will ask you, then, if you did not make the following answers to questions with reference to this matter—there are some other things that were covered in his testimony, and I will only read with reference to this matter of commissions. The following questions were put to you, and the following answers: The question was put by Maj. Stotesbury:

Q. Other than Mr. Hines and members of your company, who was it you first saw and talked to in regard to the matter?—A. In regard to the hospital end of it?



Q. Yes.—A. I am not clear, but the first ones I recall I spoke with were Clark and Trainer.

Q. Where did you talk to them about it?—A. In my office.

Q. Was that before there had been much headway in the hospital proposition?—A. It was after it had been talked over among ourselves, but there hadn't been any great headway.

Q. State fairly just what was said by either of these gentlemen.—A. They came into the office to see Mr. Clark and he said to me, "Come into one of the rooms, I want to introduce you to these gentlemen." I happened to be in the cashier's cage at the time, and I asked them to step around in there, and he introduced me to both Mr. Clark and Mr. Trainer. Their names had been familiar to me for years, but I had never met either one of them before. I think it was Mr. Trainer who suggested we arrange a meeting with Mr. Hines, and I told them I could do that.

Q. Did they indicate the purpose of meeting Mr. Hines?—A. If they didn't indicate it, I had it in my mind, for I remember of surmising to Mr. Hines. I went to Mr. Hines and told him about it and he refused to meet them.

Q. Then you must have had some impression of the purpose of the interview?—A. Yes; it was in my mind, but I can't state what was said.

Q. Did you go to Mr. Hines personally?—A. I did.

Q. What did you say to Mr. Hines?—A. I told him Mr. Clark and Mr. Trainer had been in and wanted to see him in connection with that hospital matter, and I think I volunteered what I thought.

Q. What was it you thought?—A. The thought was that they were looking for something.

Q. Can you state any specific thing that was said by either gentleman that led to that impression?—A. No; I can not.

Q. Are you prepared to say that nothing was said that would justify the impression but that it was an impression you had?—A. I wouldn't want to be positive on that. Being in the business as long as I have, I am looking for angles like that. In three deals out of five there are always additional claimants for commission, and it makes me more suspicious.

Q. Now, Hodge & Chandler had this property on their books for sale, didn't they?—A. Yes.

Q. And hadn't it been given to other agents?—A. I don't recall of their giving it to any one else.

Q. Can you state whether it had ever been given to the firm of Trainer & Clark?—A. No; I never knew of it if it had.

Q. Was anything said at that interview there with Trainer & Clark in regard to the sale of the property, or the prospect of the Government taking it?—A. There must have been for that was what I had in mind at the time, because I was figuring it was for the Government they were interesting themselves in it.

Q. Did you know at that time that Mr. Trainer represented the Government in some capacity?—A. No; but subsequent to that I heard of it.

Q. But what you stated to Mr. Hines in regard to the purpose of their interview with him, you think was in the form of a suspicion on your part?—A. I would like to answer that definitely; if there was nothing said on that subject, I at least inferred it. I know I had that idea.

Q. But you are unable to state anything that was specific that was said that would justify that conclusion—is that so?—A. Yes; that is so.

Q. It is fair to say then that you are unable to recall any specific thing said by either Clark or Trainer to justify your suspicion they desired to get into the transaction to get a commission in the event the property was sold?—A. I don't state positively that nothing was said, but that I fail to recollect.

Q. That is the best statement that you are able to make at this time?—A. Yes.

Q. You are unable to state they did not make any statement?—A. No.

Q. But you are positive that you can not at this time recall anything that was said by them that would justify that impression in your mind?—A. No; I can not recall any of the words.

Q. Well, that is a fair statement; I want to get the exact situation so far as your recollection serves you at this time. There is no doubt that you did have the definite impression?—A. I did.

Q. And there is no doubt that you communicated that impression to Mr. Hines?—A. Yes; I did.

Q. Is it your impression that you communicated that to Mr. Hines as an impression, or as a definite statement?—A. That, I can not recall, but I re-

member of being suspicious in a way, but I do recall definitely of them asking me to arrange a meeting for them with Mr. Hines.

**Mr. ADCOCK.** I will just stop for a moment, and then I will read further. If they had made any direct statement with reference to obtaining a commission, or if they had demanded a commission as to any amount, or a commission at all, it would not have been necessary for you to suspect or surmise?

**Mr. FOSTER.** It would not.

**Mr. ADCOCK** (reading):

Now Mr. Hines made a definite statement to you that he wouldn't see them?—A. Yes; or something of that kind.

**Q.** What was done?—A. That conversation was in his office, and I went back to my office then.

**Q.** Did you see Mr. Clark or Mr. Trainer since then?—A. I haven't seen Mr. Clark, and I have seen Mr. Trainer just once. I was asked over the phone to go to a meeting in Mr. Newman's office.

**Q.** Was that subsequent to this first meeting?—A. Yes.

**Q.** You are sure of that?—A. I am quite certain of it.

**Q.** You would certainly remember if you had seen them in Mr. Newman's office before this?—A. Yes.

**Q.** So, there is no doubt about that, that this first call at the office was prior to the interview at Mr. Newman's office?—A. Yes; because I recognized Trainer.

**Q.** When you saw him in Mr. Newman's office, you recognized him?—A. Yes.

**Q.** Was it soon after—or a day or two after the first meeting?—A. I wouldn't want to state that.

**Q.** But you did go to Mr. Newman's office?—A. Yes.

Then they talked about the meeting at Mr. Newman's office, the second meeting, which I think had been gone into so much that it is immaterial to read on that.

Now, Mr. Foster, Maj. Stotesbury made another examination of you on the day following, did he not?

**Mr. FOSTER.** Well, I was recalled the day following, or two days following, or a few days, I do not know how many.

**Mr. ADCOCK.** Did you have any talk with Maj. Stotesbury between the time of your first cross-examination on November 6 and the date of your second examination?

**Mr. FOSTER.** I did not.

**Mr. ADCOCK.** No conversation whatever?

**Mr. FOSTER.** Except a telephone call to come down there.

**Mr. ADCOCK.** To come down to his office?

**Mr. FOSTER.** Yes.

**Mr. ADCOCK.** Then, on November 7, the following, I will ask you whether the following questions were put to you and you made the following answers to the questions [reading]:

**Q.** Mr. Foster, you were sworn as a witness yesterday, and your oath still maintains in this examination?—A. Yes, sir.

You were sworn, were you not?

**Mr. FOSTER.** Oh, yes, the first day; but I think I was not on the second.

**Mr. ADCOCK** (reading):

**Q.** In order to bring out fully the facts of your first interview with Mr. Trainer, I want to ask you if you did not in the subsequent talk with Mr. Hines mention the name of Mr. Reynolds?—A. Yes.

**Q.** Are you quite certain of that?—A. I am.

**Q.** What did you say about Mr. Reynolds?—A. That Mr. Hines was to meet Mr. Trainer and go with him to Mr. Reynolds.

**Q.** Where did you get that idea?—A. From conversation with Clark and Trainer.

Q. Yesterday, in your testimony, my recollection is that you had no recollection of anything that had been said directly by either Mr. Trainer or Mr. Clark in regard to a money interest. You thought that was just an impression that you had gathered. Does this suggestion or reference to Mr. Reynolds remind you any more fully of what the conversation was with Mr. Trainer and Mr. Clark?—A. I can recall now that Mr. Reynolds's name was mentioned and that Mr. Hines was to see Mr. Reynolds, the inference being—

Q. Never mind the inference. I want to know just what was said about Mr. Hines seeing Mr. Reynolds.—A. I am a little hazy about the real words, and I don't want to romance any of this.

Q. Now your recollection is clear that Mr. Trainer desired Mr. Hines to see Mr. Reynolds?—A. Yes.

Q. There is no doubt that what Mr. Trainer wanted was an interview with Mr. Hines?—A. He asked for an introduction to Mr. Hines and together they were to see Mr. Reynolds, or Mr. Hines was to arrange a meeting or something of that kind.

Q. Did Mr. Trainer say that he wanted to meet Mr. Hines for any specific purpose that he mentioned or referred to?—A. With a view to meeting Mr. Reynolds through Mr. Hines.

Q. Is that your best recollection in regard to it?—A. That is all I recall just now.

Q. Was the amount of \$100,000 or any other sum mentioned by either Trainer or Clark at the interview referred to?—A. Not in my presence. I only talked to them a very few minutes.

Q. Now when you communicated the desire for a conference to Mr. Hines did you state not only matters that you obtained from that interview, but other facts that had been communicated to you by Mr. Shank?—A. Presumably, on account of being very well acquainted with Mr. Hines, I would not only tell him what I heard but what I surmised.

Q. But as far as you personally heard the conversation there was no mention of any amount of money?—A. No, sir; not in my presence. My talk was very short with them.

Q. You have no further recollection than of what you have now stated and yesterday?—A. No; nothing further.

Q. Did Mr. Trainer and Mr. Clark, or either of them, have a talk with Mr. Shank when you were not present?—A. They were talking with Mr. Shank when he called me to meet them, and I was busy back of the cage, and I suggested, as I recall it, that they come around there.

Q. So there was some conversation that you didn't hear?—A. Yes; Mr. Shank introduced me to them.

In a letter here, Mr. Shank said there was no conversation about this matter when Mr. Foster was not there. [Reading:]

Q. Let me have again a statement of your final recollection, Mr. Foster.—A. They were both talking, but I would state it was Mr. Trainer who said he wanted to meet Mr. Hines, and either go with him or arrange a meeting with Mr. Reynolds. I remember of him stating that they could be of service, which we knew they could, at that time, but I don't recall the words that led me to think that they were to be taken care of. That was the impression I had.

Q. Was the statement substantially of this character made by Mr. Trainer in your presence? Addressing Mr. Shank, Mr. Trainer stated: "You know, Mr. Shank, that we are in a position to help on this matter, and it is only proper that we should be looked out for, and I should like to have a talk with Mr. Hines along these lines, and if he would go to Mr. Reynolds and arrange a meeting, I think I could be of material assistance in this matter, and I wish you would arrange with Mr. Hines to see me in regard to that, so it could be taken up with Mr. Reynolds."—A. That covers the impression that I had, but it is pretty hard for me to recall the words.

Q. You certainly had that impression?—A. I did.

Q. From certain things that had taken place at that interview?—A. Yes.

Q. What is the impression as to the length of the interview?—A. Very short.

Q. Now, is there any doubt that you communicated to Mr. Hines subsequently the result, not only of your impression of what had been said, and that you did recite to Mr. Hines that these gentlemen had called with a view of getting into the transaction and getting something out of it, and that they were desirous of making an appointment with Mr. Hines for the purpose of seeing Mr. Reynolds,

to make an arrangement that would be satisfactory?—A. I will say very positively I told Mr. Hines what was said and might possibly have added more of the inference I had, by reason of my acquaintance with Mr. Hines.

Q. You stated what they said and also stated what you believed to be the object of it?—A. I unquestionably would have done so.

Q. If at that interview you gave Mr. Hines the impression that either Mr. Trainor or Mr. Clark had demanded a consideration of \$100,000, and desired assurances that they were going to receive that amount to assist in putting this project through, do you think that was justified by anything that was said by either Mr. Hines or Mr. Clark at this two-minute interview?—A. I will say what I said to Mr. Hines, I believed at that time.

Q. It is not a question of your belief, but I am anxious now to get at the real fact, if from what you said or the manner in which it was stated, conveyed that impression, would that be justified by anything that either Mr. Clark and Mr. Trainor had actually said at that interview?—A. If I made the statement point blank that way, it would have been justified. I don't recall whether I put in some of my suggestions or not, but I know whatever I said to Mr. Hines, at the time I said it, I believed it.

Q. I am asking now for your best recollection of whether any impression of that sort was justified by anything that they said, that you now recollect?—A. I don't recollect any sum of money being mentioned.

Q. Then it would be fair to say that if such an impression was created by your statement that it was not justified by your present recollection of what either man said?—A. I will say, that from my present recollection, I can not think of anything that would justify a remark by me that a sum of money was mentioned.

Then there is a statement that there was a supplementary examination of Mr. Shank at this time. [Reading:]

Q. Do you sustain that impression, too, Mr. Foster?—A. Yes; that they wanted compensation. I can't recall the words that conveyed the impression to me.

Were those questions put to you by Mr. Stotesbury and the answers that were given to the respective questions made by you?

Mr. FOSTER. They were.

Mr. ADCOCK. Do you know why Maj. Stotesbury examined you—made a supplemental examination of you on November 7, or shortly after the first one?

Mr. FOSTER. I do not think any statement was made. He called me down there and questioned me some more, and gave me no reason why.

Mr. ADCOCK. Down where?

Mr. FOSTER. At the Blackstone Hotel.

Mr. ADCOCK. At the Blackstone Hotel?

Mr. BENNET. Just one question. As I recall it, from your previous testimony, you were called right in off the building where you were working, and left your coat, and these questions were shied at you by Maj. Stotesbury?

Mr. FOSTER. I think I had been at the building in the afternoon, as I recall it. This conversation had happened prior—three months prior—to having been called upon, and I had given it no thought at all.

Mr. BENNET. Four months?

Mr. FOSTER. Yes.

Mr. ADCOCK. Do you think your recollection to-day is better than it was the 1st of November?

Mr. FOSTER. I do not think, generally, it would be any better, but I have given it some thought.

Mr. ADCOCK. You have thought it out?

Mr. FOSTER. Yes.

Mr. ADCOCK. In thinking it out, have you conversed with Mr. Hines about the matter?

Mr. FOSTER. No talk I have had has influenced me in any way.

Mr. ADCOCK. Have you talked with him about your testimony?

Mr. FOSTER. I may have.

Mr. ADCOCK. You may have?

Mr. FOSTER. Yes.

Mr. ADCOCK. When?

Mr. FOSTER. I do not know.

Mr. ADCOCK. How many times have you talked to him about it?

Mr. FOSTER. About the testimony?

Mr. ADCOCK. Yes.

Mr. FOSTER. Probably three or four or five times.

Mr. ADCOCK. Recently?

Mr. FOSTER. Yes.

Mr. ADCOCK. Talked to Mr. Bennet about it?

Mr. FOSTER. Yes.

Mr. ADCOCK. What explanation did he tell you to make in reference to it?

Mr. FOSTER. He did not tell me to make any.

Mr. ADCOCK. What explanation did you tell him you were going to make?

Mr. FOSTER. I did not tell him any.

Mr. ADCOCK. He did not know when he asked you this question here what explanation you would make?

Mr. BENNET. What question?

Mr. ADCOCK. This question you put a little while ago.

Mr. BENNET. I have asked him for no explanation.

Mr. ADCOCK. The question that he came in from work and took his coat off.

Mr. BENNET. That is his previous testimony, that he was called in from work. I am familiar with the testimony in the case.

Mr. ADCOCK. I am very familiar.

Mr. BENNET. I say I am.

Mr. ADCOCK. And this testimony was given four months ago before Maj. Stotesbury?

Mr. FOSTER. I think it was given, part of it, on November 7.

Mr. ADCOCK. When you testified on November 6, and he asked you all these questions, you knew then that he was trying to get from you the conversation that you had between Clark and Trainer in your office, did you not?

Mr. FOSTER. Yes, sir.

Mr. ADCOCK. And you thought of that, what happened, did you, between the time you first testified and the time you testified the second time before Stotesbury?

Mr. FOSTER. You mean I thought of it between the first and second?

Mr. ADCOCK. Yes.

Mr. FOSTER. No; I did not give it any thought. I thought I was through and it was out of my mind.

Mr. ADCOCK. Did you give any thought as to whether your statements that you made before Stotesbury the first time were true statements?

Mr. FOSTER. No; they were true statements, to the best of my recollection.

Mr. ADCOCK. And on the next occasion they were true statements to the best of your recollection?

Mr. FOSTER. Yes.

Mr. ADCOCK. And so far as you know, those statements made then are your best recollection in this matter?

Mr. FOSTER. At that time?

Mr. ADCOCK. Yes; at that time. Did you talk with Mr. Newman about what you would testify to here?

Mr. FOSTER. I did not; you mean in regard to any matters of this kind?

Mr. ADCOCK. Yes.

Mr. FOSTER. I told him I expected to be called on, but I did not refer to any of this testimony.

Mr. ADCOCK. Did you have a transcript of your testimony before Maj. Stotesbury?

Mr. FOSTER. I did.

Mr. ADCOCK. When?

Mr. FOSTER. The latter part of last week.

Mr. ADCOCK. That is when the copy of the Stotesbury report was presented to your counsel?

Mr. FOSTER. Yes.

Mr. ADCOCK. Or to Mr. Hines's counsel?

Mr. FOSTER. Yes.

Mr. ADCOCK. And you were very anxious to read it, were you not?

Mr. FOSTER. I read it. I do not know how anxious I was.

Mr. ADCOCK. You remember down here I had a copy of it, and you tried to take it away from me, anxious to get it?

Mr. FOSTER. I will reverse that. You had the copy. You came and asked me for it and I gave it to you.

Mr. ADCOCK. Did I not have a copy?

Mr. FOSTER. You had the copy which I had, and I handed it to you. I was starting to read the testimony and you asked me if you could have it, and I gave it to you.

Senator TRAMMEL. I do not think that has any particular bearing. It depends upon the temperament of the gentlemen. I do not think it amounts to anything.

Mr. BENNET. You did thoroughly discuss this matter with me?

Mr. FOSTER. I did.

Mr. BENNET. Now, if you recall, what did I tell you about going on the stand, to give any information about any person directly or indirectly, telling the facts as you recalled them.

Mr. FOSTER. That is what you told me to do.

Mr. BENNET. That is what you have done?

Mr. FOSTER. I did.

Mr. BENNET. That is all.

Mr. ADCOCK. I would like to ask Mr. Newman just one question, if I may.

Just one question, Mr. Newman. I show you here part of the Stotesbury report, which purports to be a transcript of the testimony given by you before Maj. Stotesbury on November 4, 1918. I want to ask you whether that is a photograph of the original [showing witness paper]?

Mr. NEWMAN. That I could not tell without reading.

Mr. ADCOCK. Did you write up your testimony on your machine in your office, on your typewriter, or was it written up on one of the machines?

Mr. NEWMAN. I can not recall that. It may have occurred.

Mr. ADCOCK. That is all.

#### TESTIMONY OF MR. HENRY V. MCGURREN.

(The witness was sworn by the chairman.)

Mr. ADCOCK. Where do you reside?

Mr. MCGURREN. Chicago, Ill.

Mr. ADCOCK. What is your business?

Mr. MCGURREN. Superintendent of the compensation bureau, city of Chicago.

Mr. ADCOCK. Did you, in the fall of this last year, have any work in the War Department?

Mr. MCGURREN. Yes; I was temporarily employed in the War Department.

Mr. ADCOCK. In what capacity?

Mr. MCGURREN. As a legal adviser to the real estate section, Purchase, Storage, and Traffic Division.

Mr. ADCOCK. Were you present with Mr. Trainer at a dinner at Gerstenberg's on the night of November 23?

Mr. MCGURREN. Well, I can not say definitely the night of November 3, but it is my recollection that it was the night of November 3 that I had dinner at Gerstenberg's with Mr. Trainer.

Mr. ADCOCK. Do you remember any conversation between Mr. Shank and Mr. Trainer at that time?

Mr. MCGURREN. I do.

Mr. ADCOCK. Will you just state what was said? Were you introduced to Mr. Shank at that time?

Mr. MCGURREN. Mr. Trainer and I came into Gerstenberg's and Mr. Trainer exchanged greetings with some one that came in, and as we went by he asked me if I had noticed who it was. I turned around, and I said, "I recognize Mr. Hines, but I do not recognize the gentleman with him"; and Mr. Trainer told me it was Mr. Shank. We proceeded to the rear of the restaurant and sat down, and Mr. Shank and Mr. Hines had gone to the table in the front part of the restaurant. As we sat down, Mr. Shank came back to our table and had not even stopped to take his overcoat off. Mr. Trainer exchanged greetings with him, and he introduced me to Mr. Shank. Mr. Trainer then asked him how he was getting along, and Mr. Shank said, "Not very well. I think I am about through." Mr. Trainer said, "What are you knocking me for?" And he said, "Well, I am not knocking you." And Mr. Trainer said, "Well, your friends are." Mr. Shank said, "I am not knocking you"; but Mr. Trainer said, "Well, I am sorry you have got mixed up in this, Mr. Shank. I do not blame you personally for anything that has been done." After a few minutes further, they parted; and Mr. Shank said he was going back to Chicago—I believe that night or the following day—and Mr. Trainer said that he was going back to Chicago in a few days; and Mr. Shanks said, "I hope to see you in Chicago."

And Mr. Trainer said, "I will be glad to see you." That was the substance of the conversation.

Mr. ADCOCK. That is the substance?

Mr. MCGURREN. That is the substance, yes.

Mr. ADCOCK. That is all.

Mr. BENNET. Are you an attorney, Mr. McGurren?

Mr. MCGURREN. I am.

Mr. BENNET. Do you hold any official position in Chicago?

Mr. MCGURREN. Superintendent of the compensation bureau.

Mr. BENNET. What is the purpose of that bureau?

Mr. MCGURREN. It is a sort of franchise bureau. It has charge of the minor franchises, as it were, vacation of streets and alleys, public highways, and it acts in an advisory capacity to the city council in those matters.

Mr. BENNET. How long have you held that position?

Mr. MCGURREN. Since 1906.

Mr. BENNET. I did not quite get it clear in my own mind, I think, whether you were just commencing your dinner or concluding it, when Mr. Shank and Mr. Hines came in?

Mr. MCGURREN. My recollection is that Mr. Hines and Mr. Shank and Mr. Trainer and myself came into the restaurant about the same time, and in waiting for our table Mr. Trainer exchanged greetings with the gentlemen. I did not notice whom he exchanged greetings with at the time, but he called my attention to it immediately afterwards by asking me if I had noticed who it was, and then I turned around and recognized Mr. Hines, but I had never seen Mr. Shank. I had not met Mr. Hines, but I recognized him from his picture. I did not know who Mr. Shank was. Mr. Trainer said it was Mr. Shank.

Mr. BENNET. And after you got seated at your table, this incident occurred between Mr. Shank and Mr. Trainer?

Mr. MCGURREN. Yes, in fact came right over. He did not remove his overcoat, I remember that distinctly.

Mr. BENNET. Came over or came by?

Mr. MCGURREN. He came over. He could not go by. We were in the rear and he was in the front.

Mr. BENNET. There are tables in both parts of the restaurant?

Mr. MCGURREN. The rear is two or three steps lower.

Mr. ADCOCK. You mean it was?

Mr. MCGURREN. I notice it has been changed.

Mr. BENNET. Did you think whether he was looking for a vacant table? You say he had not taken off his overcoat.

Mr. MCGURREN. They proceeded to this table in the front, while we were in the rear.

Mr. BENNET. I mean at the time you first went in?

Mr. MCGURREN. Mr. Hines was seated at the table.

Mr. BENNET. Where was that?

Mr. MCGURREN. In the front part of the restaurant.

Mr. BENNET. Do you know Mr. Newman?

Mr. MCGURREN. I never met Mr. Newman until I met him down here several days ago.

Mr. BENNET. You know he is a well-known lawyer in Chicago?

Mr. MCGURREN. I do.



Mr. BENNET. Was he with them that night?

Mr. MCGURREN. There was no gentleman with Mr. Hines and Mr. Shank.

Mr. BENNET. At any time during the evening?

Mr. MCGURREN. No, not at the time they came in, nor several times during the evening as I looked over he was not there, and as two.

Mr. BENNET. You are sure that Mr. Newman did not take dinner that night with Mr. Hines and Mr. Shank?

Mr. MCGURREN. I would not say, but at the time they came in, and every time I glanced at the table, he was not there. Several times during the evening as I looked over he was not there, and as I went out he was not there.

Mr. BENNET. Do you know that these three gentlemen dined in that restaurant together that night, and that Mr. Newman and Mr. Hines lingered to finish their meal, and left the restaurant together?

Mr. MCGURREN. I do not.

Mr. BENNET. Mr. Newman, will you stand up, please? [Mr. Newman stood up.] Look at him, please.

Mr. MCGURREN. Yes, that is Mr. Newman: I met Mr. Newman two or three days ago.

Mr. BENNET. You are prepared to say that Mr. Newman was not there?

Mr. MCGURREN. I am prepared to swear, as I said before, that at the time Mr. Shank came over and spoke to us at the table, Mr. Newman was not with the gentlemen, in fact no third party was with the gentlemen.

Mr. BENNET. And you looked at the various tables at various times during the evening, and he was not there during any time you looked around?

Mr. MCGURREN. That is true.

Mr. BENNET. How long were you in there?

Mr. MCGURREN. Three-quarters of an hour, probably.

Mr. BENNET. Did you state whether or not Mr. Hines or Mr. Shank were at the table?

Mr. MCGURREN. As we passed out, they were seated at the table, and no third party was visible with them.

Mr. BENNET. I think that is all.

Senator HARDWICK. Let me ask a question. You live in Chicago?

Mr. MCGURREN. I do.

Senator HARDWICK. I did not hear your testimony. What is your name?

Mr. MCGURREN. Henry V. McGurren.

Senator HARDWICK. Did you hear any conversation between them? What was it?

Mr. MCGURREN. I will repeat it.

Senator HARDWICK. No, never mind.

Mr. ADCOCK. I do not understand that this witness in any way contradicts Mr. Shank's statement of the conversation, the substance of it.

Senator TRAMMEL. The substance of it agrees with Mr. Shank's conversation.

Mr. ADCOCK. But there was a suggestion that the word "commission" was not used, and that there were no words used from which

he could imply that Mr. Trainer meant that, if they had gone along—

Senator HARDWICK. Then what did Mr. Trainer say?

Mr. MCGURREN. We came into the restaurant about the same time, and Mr. Trainer exchanged greetings with somebody as we walked along.

Mr. ADCOCK. Have you seen Mr. Shank since you have been here this morning?

Mr. MCGURREN. Yes.

Mr. ADCOCK. Was he the man?

Mr. MCGURREN. He was one of the parties, as I afterwards found. I did not notice him, but he exchanged greetings as we came in with Mr. Trainer, and Mr. Trainer asked me if I had noticed who the parties were, and I turned around and recognized Mr. Hines simply from having seen his picture.

Senator HARDWICK. And what did these gentlemen say to each other.

Mr. MCGURREN. We proceeded to our table in the rear, and Mr. Shank came over to our table, direct from his own table, just got seated apparently, and I was introduced to Mr. Shank, and Mr. Trainer asked him how he was getting along, and he said, "Not very well. I think I am all through." Mr. Trainer said, "What are you knocking me for?" And he said, "I am not knocking you." He said, "Your friends are." He said, "I am not knocking you." And he then said to Mr. Shank, "I am sorry you got mixed up in this matter." He said, "I do not blame you personally for anything that has happened." Mr. Shank said he was going back to Chicago, I believe, that night or the next day, and Mr. Trainer said he expected to go back to Chicago in a few days, and Mr. Shank said, "I hope to see you in Chicago." And Mr. Trainer said, "I would be glad to see you." That was the substance.

Mr. ADCOCK. That, in substance, is the testimony of Mr. Shank with reference to that conversation?

Senator HARDWICK. I do not remember that.

Mr. ADCOCK. That is on cross-examination.

Senator BECKHAM. Did Mr. Trainer say anything at all about Mr. Shank that indicated that if Mr. Shank had agreed to this alleged proposition he would have had no trouble with his contract?

Mr. MCGURREN. There was nothing said from which that could possibly be inferred.

Mr. ADCOCK. Mr. Shank so testified.

Mr. BENNET. Of course Mr. Shank's testimony is in the record.

Mr. ADCOCK. I was just calling attention to it, so that the chairman would be up to date.

Mr. BENNET. The chairman is always up to date.

Mr. ADCOCK. He was not here when the testimony was given.

Senator HARDWICK. I heard Mr. Shank's testimony. It speaks for itself.

Mr. ADCOCK. That was on direct. Read the cross, too.

Senator HARDWICK. Did Mr. Trainer say anything about Mr. Shank that in substance might be construed to mean this: "If you had made arrangements with me, this would not have happened"?

Mr. MCGURREN. Absolutely not.

Senator HARDWICK. You did not hear anything like that at all?

Mr. MCGURREN. No.

Senator BECKHAM. Did you hear all the conversation between them?

Mr. MCGURREN. I did. I was at the table during the entire time that we came to the table until we walked out.

Mr. BENNET. At what time of the evening was this?

Mr. MCGURREN. I should judge it was about 7 o'clock. It was my recollection that we were going to the Follies right after, and that started a little after 8.

Mr. BENNET. Do you know Mr. Wallace Clark in Chicago?

Mr. MCGURREN. I do.

Mr. BENNET. Is he a client of yours in any way?

Mr. MCGURREN. Not at all.

Mr. BENNET. Is Mr. Trainer a client of yours?

Mr. MCGURREN. Not at all. I never knew either of them until I came to Washington.

Mr. BENNET. You were in the same part of the Government service with Mr. Trainer?

Mr. MCGURREN. I was.

Mr. BENNET. How long were you there?

Mr. MCGURREN. I entered September 16, and resigned on December 10.

Mr. BENNET. About four months?

Mr. MCGURREN. Three months, practically.

Mr. BENNET. Two or three months, and there was no special circumstance other than you have testified to that fixed your recollection as to the events of this evening?

Mr. MCGURREN. No. I will correct that; there was.

Mr. BENNET. What was it?

Mr. MCGURREN. After Mr. Shank left the table, Mr. Trainer said after a few minutes, "I do not think that I will see Mr. Shank in Chicago," and then followed that up with a remark that, "I wish you would remember the substance of the conversation this evening."

Mr. BENNET. So that Trainer asked you to remember the substance of the conversation?

Mr. MCGURREN. Yes.

Mr. BENNET. Did he give any reason why?

Mr. MCGURREN. No.

Mr. BENNET. That is all you know?

Mr. MCGURREN. That is all I know.

Mr. BENNET. That, at any rate, was one of the reasons why you glanced over to see where Mr. Shank and Mr. Hines were sitting.

Mr. MCGURREN. I was facing toward them, and would naturally see them.

Mr. BENNET. And having been especially enjoined by Mr. Trainer to remember the conversation, it made you notice them more?

Mr. MCGURREN. It would have that tendency.

Senator HARDWICK. Had you read a good deal in the Chicago newspapers about this project?

Mr. MCGURREN. Yes; I was interested.

Senator BECKHAM. What were you in the Government service?

Mr. MCGURREN. I was one of the legal advisers to the real estate section.

Senator BECKHAM. Did that bring you in contact with Mr. Trainer?

Mr. MCGURREN. Only slightly. I do not know any particular time when I had any contact with Mr. Trainer, only when I happened to meet him in the department.

Senator BECKHAM. Have you ever discussed with him, or ever heard him discuss the Speedway proposition before that night?

Mr. MCGURREN. I had many times. He had discussed it.

Mr. ADCOCK. Did he ever say anything derogatory of it?

Mr. MCGURREN. No; on the contrary, he had always approved it in any statement he made to me.

Mr. BENNET. Do you know Mr. Jarvis Hunt?

Mr. MCGURREN. Never saw him, to my recollection.

Mr. ADCOCK. Mr. Hines is a pretty well known man in Chicago, is he not?

Mr. MCGURREN. Yes.

Mr. ADCOCK. That may have been one reason why you noticed them?

Mr. MCGURREN. I had seen Mr. Hine's picture in the paper.

Mr. ADCOCK. Mr. Shank, I want to ask, you never had but one conversation with Trainer at Gerstenberg's?

Mr. SHANK. That is all.

Mr. BENNET. I would be glad to have Mr. Hines take the stand.

#### TESTIMONY OF MR. EDWARD HINES—Resumed.

Mr. BENNET. Mr. Hines, who dined with you and Mr. Shank at Gerstenberg's?

Mr. HINES. Mr. Jacob Newman, Mr. Shank and myself.

Mr. BENNET. And whatever was said to you by Mr. Shank on that occasion, did you dictate to your secretary, Mr. Nelson?

Mr. HINES. Immediately upon returning to the hotel, I think Mr. Newman dictated in my presence to my secretary the substance of the conversation as Mr. Shank related it to us.

Mr. ADCOCK. I would like Mr. Shank to come here and hear this testimony

(Mr. Shank returned to the room.)

Mr. BENNET. Your secretary was the same one you have now, Mr. C. R. Nelson, who is in the room?

Mr. HINES. Yes, sir.

Mr. BENNET. That is all.

Mr. ADCOCK. Was Mr. Shank present when you dictated it?

Mr. HINES. No, sir.

Mr. ADCOCK. Where was he?

Mr. HINES. He had left for Chicago on the 8 o'clock train.

Mr. ADCOCK. I see, and you did not have a chance to have him see it. Did you ever show him the copy of what you dictated?

Mr. HINES. I do not know whether we did or not. I am not positive.

Mr. ADCOCK. You are not positive about it. Have you got that interview?

Mr. HINES. It is in Washington.

Mr. BENNET. We will bring it down this afternoon.

Senator HARDWICK. You may furnish that to the Secretary as a part of his statement.

Mr. HINES. I feel also that I would like to make this explanation. Mr. Newman and myself entered the restaurant a little ahead of Mr. Shank. Mr. Shank had gone ahead about ten or twelve feet, to the part which was two steps higher than the rear room, looking for a table. Two gentlemen were just getting up from a table outside, and Mr. Newman halted just about a second, and we secured that table. Mr. Shank went on to hang up his coat and look for a table in the second room. I saw a gentleman whom I did not know at the time stop him and speak to him. He returned almost within a second or two, because we did not follow him, to where Mr. Newman and I sat down at that time. He said, "Do you know whom I talked to?" I said, "No, I do not." He said, "That is Mr. Trainer." That is the first time to my knowledge that I had ever looked at Mr. Trainer.

Senator HARDWICK. The first time you had ever seen him?

Mr. HINES. To my knowledge. I may have seen him in Chicago, but I have no recollection. He then related in substance as he gave it to you, the conversation. He left on the 8 o'clock train for Chicago, and I want particularly to emphasize this, and call the committee's attention to it. He was obliged to leave the table before Mr. Newman or myself in order to catch the 8 o'clock train, and he had to go back to the hotel and get his grip and catch the 8 o'clock train. Mr. Newman and myself and Mr. Shank did not enter Gerstenberg's that night where the gentlemen at the table, Mr. Trainer and Mr. McGurren, the gentlemen on the witness stand, could have spoken to us. They were at the table seated when Mr. Shank was stopped by them, or he stopped them. Third, there were not two gentlemen at the table at all times. Mr. Newman and Mr. Shank and myself were together until Mr. Shank left, I should say, about half past 7, to go to the hotel and get his grip and take the 8 o'clock train for Chicago. In fact, Mr. McGurren is mistaken.

Mr. ADCOCK. You heard Mr. Shank's testimony, did you not?

Mr. HINES. Yes, sir.

Mr. ADCOCK. Then, when Mr. Shank stated that there were no words used, in substance no words used as to compensation or commission, or words to that effect, that if Mr. Shank had gone ahead and paid Mr. Trainer a commission, the matter would have gone through all right, you believed that statement of Mr. Shank's on the stand is untrue, do you?

Senator TRAMMELL. I do not think the witness should answer that. He is not an expert on the witnesses.

Mr. HINES. My memorandum will show what I understood, because I immediately dictated it.

Mr. ADCOCK. What you understood Mr. Shank to say to you?

Mr. HINES. Yes, sir.

Senator BECKMAN. How does what Mr. Shank stated here this morning relating that talk compare with your recollection of it now?

Mr. HINES. My recollection of it now—I am simply speaking from memory, because I had not looked at that memorandum for a month—but my recollection was that Mr. Trainer stopped Mr. Shank and said, "How do you do," or some casual greeting, and he said, "How are you getting along with the hospital"?

Mr. ADCOCK. This is what Mr. Shank told you?

Mr. HINES. And he said, "I am about through and I am going to Chicago to-night." And Mr. Trainer said, so Mr. Shank informed me, "If you had gone along with me, you would not be in your present position." That is the substance of the words dictated. That information would be better.

Senator HARDWICK. That is the substance?

Mr. ADCOCK. That is what you understood Mr. Shank to say?

Mr. HINES. Yes, sir.

Mr. ADCOCK. I do not think it is material at all, because it is hearsay, but it may be material in another phase of the matter.

Senator HARDWICK. The witness is excused.

#### TESTIMONY OF MR. JACOB NEWMAN—Resumed.

Mr. ADCOCK. If Mr. Newman is going to testify as to what Mr. Shank said at that time, it seems to me that it is immaterial.

Mr. BENNET. Mr. Newman, you have heard the testimony about this night in Gerstenberg's?

Mr. NEWMAN. Yes, sir.

Mr. BENNET. Did you or did you not dine with Mr. Shank and Mr. Hines that night?

Mr. NEWMAN. I did.

Mr. BENNET. After dinner, did you or did you not dictate to Mr. Nelson here a memorandum of what Mr. Shank told you had transpired between himself and Mr. Trainer?

Mr. NEWMAN. I can not recall whether I did or did not. If Mr. Nelson has such a memorandum, his recollection would be better than mine. That is my usual practice, and I would not be at all surprised if I did. But I have no recollection of the thing itself.

Mr. BENNET. Did you dine with Mr. Shank and Mr. Hines on the night that has been mentioned?

Mr. NEWMAN. I remember that very distinctly because something very peculiar occurred. Mr. Shank insisted upon my turning around to look at Mr. Trainer, and I insisted it was not good form, and I would not do it.

Mr. BENNET. And you did not do it?

Mr. NEWMAN. And did not do it. And I never saw either of the gentlemen at the table, or when they passed out.

Mr. BENNET. So that you sat with your back to the Trainer party?

Mr. NEWMAN. I was facing the front door of Gerstenberg's.

Mr. BENNET. And they sat in the rear?

Mr. NEWMAN. I do not know.

Mr. BENNET. They did not sit in front of you, within your range?

Mr. NEWMAN. I would, of course, have seen them.

Mr. ADCOCK. You had met Mr. Trainer before, had you?

Mr. NEWMAN. Yes, sir.

Mr. ADCOCK. Did you speak to him that night?

Mr. NEWMAN. No. I did not see him at all. I did not see him at the table and I did not see him when he passed out.

Mr. ADCOCK. But Mr. Shank told you he was there?

Mr. NEWMAN. Yes, just as I have narrated.

Mr. ADCOCK. I was just getting at whether his idea of good form was better than yours.

Senator HARDWICK. We have tried almost every other issue. ~~We~~ might settle that, too.

Mr. BENNET. When Mr. Shank came to the table and said he ~~had~~ had a talk with Mr. Trainer, was he calm or somewhat excited?

Mr. NEWMAN. I think Mr. Hines is mistaken when he says that— I came in with him. I think I was doing some work, and they left ~~f~~or dinner first, and I joined them when they were both seated.

Senator HARDWICK. Those details are not of any consequence.

Mr. NEWMAN. And when I got seated, Mr. Shank was a little ~~e~~x-cited and said, "Trainer is in here," and then he told me what ~~had~~ occurred.

Mr. BENNET. Whether you dictated it or not, you do not ~~n~~ow recall?

Mr. NEWMAN. I do not recall.

Mr. ADCOCK. You heard Mr. Shank testify in cross-examination?

Mr. NEWMAN. I did not.

Mr. ADCOCK. I just wondered whether there was anything that ~~Mr.~~ Trainer said as indicated by Mr. Shank's examination here ~~th~~is morning, or whether it was a mere sight of Mr. Trainer that ~~exc~~ited him.

Mr. NEWMAN. I think on my original examination I was ask ~~ed~~ about this matter, and I gave my recollection then.

Senator HARDWICK. You did. You testified fully about it then.

Mr. ADCOCK. He did not testify as to what was said by Mr. Shank.

Mr. NEWMAN. Yes; I am quite sure.

Mr. ADCOCK. You said it was immaterial because it was hearsay.

Senator HARDWICK. I know he started to, but it does not matter, ~~i~~t is hearsay.

Mr. BENNET. The question was whether he dined there that night, and he said he did.

Mr. NEWMAN. Oh, sure.

Mr. ADCOCK. I do not think that is material, because Mr. Shank stated that is the only time he had a conversation with Mr. Trainer, this one occasion.

Mr. NEWMAN. I can not recall the date, or even the month. I din ~~ed~~ very frequently at Gerstenberg's.

Mr. ADCOCK. Mr. Newman, you dictated so many things in ~~th~~is case that you can not remember just what?

Mr. NEWMAN. No; I would not pretend to.

Mr. ADCOCK. Even if you were shown the paper?

Mr. NEWMAN. That possibly might refresh my recollection, but ~~I~~ would not assume so because I dictate hundreds and hundreds ~~o~~f papers.

Senator HARDWICK. Anything else that you want to put in befo ~~re~~ the lunch hour?

Mr. ADCOCK. I do not think so. Anything you want?

Mr. BENNET. Not a thing.

Mr. ADCOCK. I am ready to put Mr. Trainer on after lunch.

(Thereupon at 12:50 o'clock p. m., the subcommittee took a rece ~~ss~~ until 2 o'clock p. m.)

#### AFTERNOON SESSION.

The subcommittee met at 2 o'clock p. m., pursuant to the taking of the recess.

Senator HARDWICK. The committee will be in order. Proceed, Mr. Adcock.

(Mr. Trainer took the witness chair.)

Mr. ADCOCK. Your name is J. M. Trainer?

Mr. TRAINER. I have not been sworn, Mr. Chairman.

Mr. ADCOCK. You appear here voluntarily as a witness?

Mr. TRAINER. I do.

Mr. ADCOCK. To give your statement in reference to the things that have been brought up in this hearing?

Mr. TRAINER. Yes.

Mr. ADCOCK. And you waive all question of immunity?

Mr. TRAINER. I do.

Senator HARDWICK. Now you understand, Mr. Trainer, that the committee is not requiring you to give any statement, and that you are not appearing under any compulsion of any character?

Mr. TRAINER. Yes.

Senator HARDWICK. If you want to volunteer to give your statement, we will take it, and take it under oath, but it is a matter that rests entirely with you.

Mr. ADCOCK. You ask to have it taken under oath?

Mr. TRAINER. I do.

Senator FRANCE. I take it that he desires to be examined and to be asked any questions the committee desires to examine him on, after counsel has finished?

Mr. ADCOCK. Yes.

Senator HARDWICK. That is true, and you offer him as a witness on your own motion?

Mr. ADCOCK. Yes, sir.

#### TESTIMONY OF MR. J. MILTON TRAINER.

(The witness was sworn by the chairman.)

Mr. ADCOCK. You have given your name to the reporter?

Mr. TRAINER. J. Milton Trainer.

Mr. ADCOCK. Where do you reside?

Mr. TRAINER. Chicago, Ill.

Mr. ADCOCK. I take it that I may inquire of him.

Senator HARDWICK. Just proceed in your own way.

Mr. ADCOCK. Where do you reside; Glencoe, Ill.?

Mr. TRAINER. Yes; my residence, my home, is in Glencoe, Ill., a suburb of Chicago.

Mr. ADCOCK. And you have a place of business in Chicago?

Mr. TRAINER. Yes.

Mr. ADCOCK. Where is that?

Mr. TRAINER. No. 30 North Michigan Avenue.

Mr. ADCOCK. What is your business, Mr. Trainer?

Mr. TRAINER. Real estate dealer and builder.

Mr. ADCOCK. Will you just state, in a brief way, what experience you have had as a real estate dealer and builder?

Mr. TRAINER. I have been a member of the firm of Clark & Trainer, real estate dealers and builders, since the spring of 1893. Our business has been that of buying lands and subdividing them and building buildings on them, and selling real estate for others, and the



management of real estate, the collection of rents and the management of property in general.

Our business has been more particularly in the construction of buildings for ourselves, mostly by day's labor, up to about 1914.

Mr. ADCOCK. Have you conducted any transactions in down-town real estate?

Mr. TRAINER. Yes, quite extensive.

Mr. ADCOCK. Whom have you represented, generally?

Mr. TRAINER. We have represented the University of Chicago, the Continental & Commercial National Bank, the Dearborn National Bank, Francis A. Harding, Joy & Morton, the Equitable Life Insurance Co. in valuations, and business in general of that character.

Mr. ADCOCK. Have you had any connection with the Federal Reserve Banks?

Mr. TRAINER. Yes, we have represented the Federal Reserve Bank, and the capitalistic committee of that bank, since the war.

Senator HARDWICK. What committee?

Mr. TRAINER. The capitalistic committee of the Federal Reserve Bank.

Senator HARDWICK. The Capital Issues Committee?

Mr. TRAINER. Yes, the Capital Issues Committee; I beg your pardon; and in the valuation of real estate that might pertain to the action of that committee.

Mr. ADCOCK. Have you carried on any real estate transactions in connection with the Federal Reserve Bank?

Mr. TRAINER. Yes, we have.

Mr. ADCOCK. Now will you state just the circumstances leading up to your interest in the hospitals for the Government, and so forth; particularly, I believe, we have had stated something about the State hospital. That was a project you considered. State your connection with that and how you came to take it up, and what you did, just in a brief way.

Mr. TRAINER. In November, 1917, Mr. C. H. Thorn, the Director of Public Welfare of Illinois, and Maj. Magnuson, who was then connected with the Industrial Bureau of the State of Illinois, and at that time was a major in the service and on duty in the office of the Surgeon General, asked me to take up and develop in Chicago a State hospital in which the State of Illinois would own the land, and expend in the building such moneys as they themselves had available, money appropriated and available, and to be added to what was then termed the temporary bed cost fund of the Surgeon General's office, which at that time was set at \$750 per bed.

Senator LENROOT. What date was this?

Mr. TRAINER. In November, 1917. That resulted in a conference between Mr. Thorn and the State's architects, Messrs. Schmidt, Garden & Martin, and representatives of the Surgeon General's office, when a plan or a tentative plan for such a hospital was laid out.

The cost of that building was estimated by the architects, and it then appeared that the difference between the money that the State then had available in its funds unexpended, and the \$750, or 750 times the normal patient bed capacity of this building, left a difference of approximately \$500,000, and I was asked then if I could

obtain donations by men interested in the development of that hospital in Chicago, and if I would undertake to do so.

I will state here that when the matter was first brought to me I was asked to serve voluntarily, and it was not a matter that there was any compensation in so far as I was concerned. I took it up, after the plan had been worked out and approved by the Surgeon General's office and the Director of Public Welfare, and these cost figures were ascertained. I undertook to raise this money. I first called upon Mr. George M. Reynolds, president of the Continental and Commercial National Bank, with my data. I knew him well. I had represented his bank for some time. I called also on Mr. James A. Patten, who was a director of his bank, and a man who had aided greatly in developing the Northwestern University. I thought I would rather like to talk with him about this.

Senator FRANCE. Pardon me; I have been out of the room. What are you talking about?

Mr. TRAINER. The State hospital that I undertook to develop in the fall of 1917.

After talking with Mr. Reynolds, he stated he would aid in the development of such a project, and I stated to him that I wanted to get five men to furnish this money, and I mentioned to him the names of Mr. Patten, Mr. Armour, and Mr. Cyrus McCormick, and himself, which made up four of the five that I had in mind.

As I say, he stated that he would aid, and he did telephone to Mr. Patten and make an appointment for me, and I later saw Mr. Patten, and some few days later, upon Mr. Armour's return from California, I called upon him and explained the whole project to him, and he stated that he would furnish the money, and I then called Col. Billings, who was the head of the reconstruction division—the Surgical Reconstruction Division—of the Surgeon General's office, and he stated to me over the telephone to have the subscriptions, or the offer, reduced to writing. I did so, and Mr. Armour reduced it to writing under date, I believe, of April 25, 1918, or thereabouts, and addressed his communication to Surgeon General Gorgas.

Mr. Thorn and Mr. Levi Maher, who was the counsel for the State Council of Defense of Illinois, and was also counsel for Mr. Armour, came on with me for the purpose of presenting that matter to Gen. Gorgas. We presented it to Gen. Gorgas about the latter part of April.

Gen. Gorgas at that time said that he would approve such a project, and for us to have the plan and location approved by Col. Billings and by Col. Robert E. Noble, who was designated by him then as head of the hospital section of the Surgeon General's office.

Mr. Thorn and I left Gen. Gorgas's office and took the plan and went to Col. Billings's office and met with him on it, and he stated he would approve such a project and directed us on to Gen. Noble.

We went to Gen. Noble, and he went over it very thoroughly and stated he would have to give the matter consideration in connection with other matters in his division, the sanitary men and so on, and some little time elapsed, and some time the latter part of May Gen. Noble said he had recommended the project to the Director of Operations and the Secretary of War, and he hoped to be authorized to enter into such an arrangement.

About the 1st of June I had returned to Chicago and again returned to Washington, and I called upon Col. Billings as to just where the matter stood, and he then said to me that he was not in favor of the location designated, which had been known as the old West Side Baseball Park in Chicago, adjoining the County Hospital, which, by the way, had not been used as a baseball park for a number of years, because it had not sufficient area. He wanted a location that would make possible agriculture and horticulture, and he asked me if I was conversant with the Speedway Park property, and stated that it had been offered to the Surgeon General as a hospital location.

I stated to Col. Billings that I was not acquainted with it. I knew, in a general way, where it was. He then stated that he was coming out to Chicago to the Medical Congress of the American Medical Association, to be held there between the 8th and the 15th of June, and asked if I would look into the character of the Speedway Park and advise him; and further, would I talk with Mr. Armour and Mr. Thorn as to whether their money would be available to go to that location.

I told him if I was out in Chicago I would do so. I returned to Chicago on the 5th day of June, and I called on Mr. Shank—

MR. ADCOCK. Just a minute, before you proceed with that. I just wanted to ask you if you have correspondence, and so forth, with reference to the State Hospital project with different people?

MR. TRAINER. Yes, I have.

MR. ADCOCK. And that is available for the committee if they desire that it be introduced?

MR. TRAINER. Yes.

MR. ADCOCK. And you will offer it. Have you the written offer of the 25th of April with reference to the contribution of money, and so forth, by Armour and others?

MR. TRAINER. I have.

MR. ADCOCK. That is in the Surgeon General's Office, is it?

MR. TRAINER. The original of it is in the hands of Gen. Gorgas.

MR. ADCOCK. Have you a copy of it here?

MR. TRAINER. I have.

MR. ADCOCK. I think, if you would just refer to that—would you like it read, Mr. Chairman?

Senator HARDWICK. I do not see the need of that. He is just stating these facts in the rough; he is just giving us a picture; and we do not want it clogged up with the details now. It can go in the record.

Senator BECKHAM. I think the statement of these matters would be best, first, and then we can take up these details afterwards.

MR. ADCOCK. Will you proceed, then, Mr. Trainer?

MR. TRAINER. A few days after I returned to Chicago I called at the office of Shank & Foster in the Stock Exchange Building on La Salle Street.

Senator LENROOT. About what date was that?

MR. TRAINER. Between the 5th and the 10th days of June. I did not know Mr. Shank or Mr. Foster. My partner was with me. We happened to be just in the neighborhood of that building, and this request of Col. Billings came to my mind; and I said to Mr. Clark,

"I want to go up here," and I am quite certain he did not know where he was going or what he was going for when we went into that office.

I introduced myself to Mr. Foster and Mr. Shank and stated to them that the Surgeon General's Office had asked me to inquire into the character of the Speedway Park land and asked them if they would give me the data on it.

Mr. Shank then stated to me the size of the land, that it was approximately 320 acres; that it was in two parcels; that it had been built in 1915 as a motor speedway, and that they had expended approximately \$1,700,000, as I now recall; and he further stated that they had theretofore devised a plan for a hospital out of the grandstand and had offered it to the Surgeon General; and I stated to him that I was not interested in that, that I was only interested in the character of the land and the elements in the land.

I asked him then if he had a survey of the property. He said that he was having one made showing the roads and walks and drains and other elements in the property. I asked him if, when that was completed, he would furnish me a copy of that, and he stated that he would.

Senator BECKHAM. Who was that; Mr. Shank?

Mr. TRAINER. Mr. Shank.

Senator BECKHAM. What date was that?

Mr. TRAINER. Between the 5th and 10th days of June. I fix that date, because it was immediately after I returned, and before Col. Billings and Gen. Noble and those gentlemen came out I was getting the information which I was asked to obtain for them; and I am quite firm that it was within those days, although I have no memorandum of the time I made of it, because there was no more importance to it for me than to inform myself of the location and character of the land that I might inform them and inform Mr. Armour and Mr. Thorn.

Mr. ADCOCK. You know that it was before Col. Billings came out?

Mr. TRAINER. Yes.

Mr. ADCOCK. And the meeting of the medical convention was held the week of the 10th?

Mr. TRAINER. Yes; and I had a meeting with them on the first Tuesday that they arrived there, and it was in advance of that time. I asked Mr. Shank at that time if I could see the property. He said that the property was in the hands of a custodian, that the gates were kept locked, but that I could see it, and he would be very glad to show it to me. Some two or three days later I telephoned to Mr. Shank's office and asked for a permit to examine the Speedway Park property, and he stated that he would like to go out with us. I then stated to him that Mr. Clark and I were going to motor out to the Speedway, and I would like to examine it that forenoon. I stated to him that we would be glad to have him accompany us out there, and he said that he would meet us on the curb in front of his office; and I told him that that would be satisfactory to us, and we would drive around by his building on our way out to the Speedway.

Shortly after that I left my office to go to the Continental Bank, where I had an appointment, and I left word with my partner to drive by for Mr. Shank—gave him the appointment that I had made

with Mr. Shank, and asked him to pick him up—and to stop for me at the Continental Bank Building curb.

After I finished my work in the Continental and Commercial National Bank I went out and waited on the curb, and Mr. Shank and Mr. Foster drove up and I joined them in the car, and we drove to the Speedway.

Mr. ADCOCK. Do you have any recollection of Mr. Wheelock being along?

Mr. TRAINER. He was not. Mr. Shank sat on the front seat by the side of Mr. Clark, and I sat on one of the small seats close behind their seat in the tonneau of the car.

Mr. Shank showed us thoroughly the Speedway property, and particularly as to the plumbing, the location of the comfort houses, and the manner in which he had proposed to build the hospital out of the grandstand, what was termed the steel grandstand on the west side of the track. I stated to Mr. Shank when at the Speedway that I had been working on a hospital project for the State of Illinois, and for the Surgeon General's office, and as I have described here, I had to obtain \$500,000 of money from public-spirited men for the purpose of completing that. That it had been heretofore talked of being located on the Cub Baseball Park, but that there was some objection to it by the Surgeon General's office, that it was not large enough, and that I had been asked by Col. Billings to look at the Speedway property.

I further stated to Mr. Shank in detail as to how I had obtained this money, and the amount of time that I had given to it; that I had done it entirely because Mr. Thorn and Maj. Magnusson and a good many of the doctors were interested in it, and I was interested in it, not from the standpoint of money, but from the standpoint of developing a great hospital, if I could do so.

He stated that he thought that it would make an ideal location for a hospital, because of the size of the land; and I recall his stating to me that the Speedway Park now was not much farther removed from the central district, so far as transportation is concerned, than the old Cook County Hospital, which adjoins the Cub Baseball Park, was when it was built. In other words, the transportation at that time at the Cook County Hospital was very limited, and it was well out when it was originally located, from 25 to 30 years ago.

Mr. ADCOCK. Perhaps some of the committee do not just know the situation in Chicago on the West Side with reference to the hospital of Cook County. Will you just explain that?

Mr. TRAINER. The Cook County Hospital is at a point where the West Side Metropolitan Railroad runs past it, and the west fork of that railroad extends to the north or northwest from Marshfield Avenue, and another branch extends down toward Douglas Park, to the east of this hospital site, and at that point there are a great number of hospitals; such as the Presbyterian Hospital, the West Side Hospital, and the Training School for Nurses and the Rush Medical College and the College of Physicians and Surgeons. Those two schools are also there. It was described to me to be a center of medicine and hospitals.

Mr. ADCOCK. The College of Physicians and Surgeons being under the jurisdiction of the State of Illinois?

Mr. TRAINER. The University of Illinois.

**Mr. ADCOCK.** What did you next do?

**Mr. TRAINER.** I reported, as I say, my investigation of the Speedway Park to Mr. Armour and to Mr. Thorn. Mr. Armour stated that he would not be interested in the location, because he was interested in an industrial, surgical reconstruction hospital after the war was over, and it was without transportation facilities and was too far out. That was also the objection of the State, because it was too far removed from the College of Physicians and Surgeons, and they expected to operate this hospital in connection with their medical school, at least to where clinics in this hospital would be of value to the teaching part of their medical school.

While there, the week of the Medical Congress, I met with Gen. Noble, Gen. Gorgas, Mr. Armour, Gov. Lowden, Mr. Thorn, Col. Billings and myself at a luncheon at the Chicago Club, which I had arranged, in which the question was considered of the Cub ball park location—the Speedway Park location—and the location that was suggested by Gov. Lowden, which was a part of what was then known as Columbus Park, which is about two miles directly west of the present Cook County hospital in a park that had been acquired and had not been developed. The work of developing the park was in its preliminary stages. The West Park Commissioners being appointees of the governor, it was considered that it would be possible to arrange for the release of a part of that park and to pay the park commissioners for such portion of that park land as might be deeded to the University of Illinois or the State of Illinois for a location for this hospital.

The question came up at that meeting as to just what this all would cost, if more than the funds available by the State and that which the Surgeon General's office could put in under such an agreement, and Mr. Armour then stated to Gen. Gorgas that he would agree to furnish all of the money above that furnished by the Surgeon General's office and then available by the State, and the matter was supposedly settled, if the Secretary of War could sanction the making of such a contract. There was some question at all times as to whether the Secretary of War would sanction the making of such a contract, either by lease, or how, for the Surgeon General to occupy this hospital property.

I left Chicago on or about the 18th of June, at the request of Mr. S. H. Hodge, who was then and is still in charge of quartermaster's warehouses in the office of Gen. Goethals, or the director of purchase, stores, and traffic, to examine the Eastman hospital property at Hot Springs, Ark.

I returned to Chicago on the 23d and upon the 24th, on coming to my office, I was advised that Mr. Hodge was in the city and wanted to see me. I called him; and I will state here that I have known Mr. Hodge very well as a fellow real estate broker in Chicago for more than 20 years.

When I called him on the 'phone he asked me if I had sent in the report on the Eastman Hospital at Hot Springs, Ark. I told him that I had not; that I expected to do so during the day. He said that Maj. Holden had been calling him at Chicago with reference to that report, and that he would come right over, because he wanted the report to go in promptly.

He came over to my office in the Michigan Boulevard Building, and I went over my data of investigation at Hot Springs, Ark., and we sat there and prepared a telegraphic report.

Mr. ADCOCK. Have you that with you?

Mr. TRAINER. Yes; I have.

Mr. ADCOCK. If you have it, will you present it—a copy of it, I mean? The original of that is where? That is dated June 24.

Mr. TRAINER. The original of that is in the files of the real-estate section of the General Staff, I presume. I have not seen it; but I forwarded it to Maj. Holden by Western Union.

Mr. ADCOCK. The original of it is probably in the office of the Western Union Telegraph Co. in Chicago.

Mr. TRAINER. I think very likely.

Mr. ADCOCK. But the original of it as it is here is in the files, dated June 24, as I understand?

Mr. TRAINER. Yes; 1918.

Mr. ADCOCK. I offer that in evidence. It has not any particular significance at the present time, except the date.

[Night letter.]

JUNE 24, 1918.

Brig. Gen. HUGH S. JOHNSON  
(Attention Maj. Holden),  
518 War Department Annex,  
Washington, D. C.

Relet June 12, Hodge, Eastman Hotel, Hot Springs, Ark. Land area approximately 120,000 square feet, worth \$110,000. Building four and five stories and attic, 520 rooms, 54 bathrooms. Building brick exterior to top of fourth floor, fifth story and attic and roof wood, covered with galvanized-iron. Interior construction of wood, bearing partitions, stairs, joists, floors, and subdivisions of wood construction. Insurance rate \$3.50 the hundred. Land, buildings, and furnishings valued for taxes, \$111,500. Building erected 30 years ago. Has never operated as successful hotel. Closed for many years, opened three years ago and for three and four months each year to care for overflow from Arlington Hotel. Plan and construction make building undesirable and unsuited for hospital. If successful hotel, building and equipment worth \$300,000. Cost for reconstruction and fireproofing present building more than cost of a new building. If hospital required at Hot Springs three blocks of land approximately 270,000 square feet adjoining Eastman and opposite Government hospitals, with rail connections available, for approximately \$100,000.

J. MILTON TRAINER.

What did you then do, Mr. Trainer, after you had written this report and had sent it to the department?

Mr. TRAINER. Mr. Hodge then stated that he had come to Chicago for the purpose of extending the Quartermaster leases or other War Department leases expiring on the 30th of June; that the premises in the Michigan Boulevard Building where my office is and in which Mr. Clark, my partner, and myself are heavily interested, which was built in 1913, he understood was vacant, as the commander of the central department had moved the department just a few days before to another location, and the lease of the War Department in this building was to be renewed and continued as originally agreed with the owners, in October, 1917; that he wanted to examine that space to decide as to whether he would move the division and a part of the Ordnance Division into that building, and he would further like to have me go with him to examine the War Department's premises in the Hub Building and the Monadnock Building and in another building; that he was not informed on office-building valuations. I went

with him to examine the space on the third floor of the Michigan Boulevard Building, and from there went with him to Maj. McRobert's place in the branch in the Hub Building, and on to Col. Lee's office of the Ordnance, leaving him late in the afternoon to return to my office.

When I returned to my office I found a call for me from Mr. Poppenhusen at his office in the Lumber Exchange Building, the next day at 11 o'clock, with Mr. Hodge.

Senator LENROOT. What date was this?

Mr. TRAINER. This was the 24th day of June. I called Mr. Hodge's office late, after getting that call, and he had gone to the Quartermaster's office at the Stockyards, and I did not get him.

Upon coming to my office on the following morning, the 25th of June, I called Mr. Hodge again and stated to him that I had had a telephone call to meet with a Mr. Poppenhusen, with him, at 11 o'clock, and he said, "Yes, I have a similar call, and you come by my office for me." I said I would do so.

I also had an appointment that morning, and I will say here that Mr. Hodge had asked me, when I was in Washington the early part of June, if I could arrange or would arrange to come to Washington and aid in the real estate department until they got organized, or until they got the work of the department caught up, and I had stated that I would; that I would come to Washington and do anything that I could do at any time, required by them.

Senator BECKHAM. At what salary?

Mr. TRAINER. Without salary. Upon going back to Chicago after that interview or request by Mr. Hodge, I told my partner of this request and of my desire to help, and as I had had the most of, possibly, the detail of Clark and Trainer's office, and as Mr. Clark had been a public officer for some fifteen years in Chicago whose duties required a great deal of his time, at least on Monday and Wednesday and Thursday of each week, and in that 15 years the burden of our business I had rather felt was on my shoulders as to detail, but with particular reference to the Continental and Commercial National Bank's work and the Federal Bank work, I had been handling that exclusively, that I wanted to turn this work over to him, and I had said to him that morning of the 25th of June when I stated to him that I was going to Poppenhusen's office, and that I was going to Mr. Hodge's office, and from Hodge's office to Poppenhusen's office at 11 o'clock, that he could call there for me, and I would then accompany him to the Federal Reserve Bank.

I went to Mr. Hodge's office about 10.30 and he was busy with Government reports and I waited a few moments and went with him to Poppenhusen's office.

When I arrived at Poppenhusen's office, at the reception room of Mr. Poppenhusen, Mr. Clark was there; said that he had just come in the room. We went in the room and Mr. S. H. Hodge, Mr. Clark, and myself went into Mr. Poppenhusen's room, and I was there introduced to Mr. Poppenhusen, as was Mr. Clark for the first time. I had never seen the man before. Mr. Hodge appeared to know Mr. Poppenhusen very well. They called each other by their first names, or Mr. Hodge, rather, referred to him as "Pop." and they went on discussing a golf game for a few moments; and I will state here that when I entered the room Mr. Shank was sitting in



Mr. Poppenhusen's room. After a few minutes intimate conversation between Mr. Hodge and Mr. Poppenhusen about the golf game, a gentleman came in the room and was introduced by the name of Newman, whom I did not know, and who was the Mr. Newman who has testified here.

Mr. Shank spoke up, addressing Mr. Poppenhusen, and said: "Mr. Poppenhusen. I have asked you to ask Mr. Hodge and Mr. Trainer to meet with us, as I believe they can help us sell the Speedway."

Senator HARDWICK. Who said that?

Mr. TRAINER. Mr. Shank. He said, "I have tried to convince Mr. Hodge it is a desirable quartermaster's storage location, but he can not see it. Mr. Trainer, I understand, is going in the Government service and is going to have charge of hospitals, and we have been working on a hospital, and I believe that they can help us sell this property to the Government."

When he finished that statement, I said to Mr. Poppenhusen and Mr. Shank, "I could not undertake to help you sell your property to the Government, nor anyone else's property to the Government, while I am employed by the Government. I am contemplating going into the Government service, and it would not be possible for me to aid you. You have not money enough to hire me, as no one else has, to sell property to the Government while I am in the Government service."

Mr. Hodge followed my statement by saying: "George, that is not possible. I am in the Government service."

Mr. ADCOCK. Speaking to whom?

Mr. TRAINER. Speaking to Mr. Shank. He said, "I am in the Government service, and it would not be possible for me to undertake to sell your property, because all of the Government leases and contracts provide that no one connected with the Government shall or can receive a commission or compensation, and I am working for nothing, and I would not have anything to do with your property. I will help you all I could help you in a friendly way, but I would not undertake to think of selling your property."

He further stated that there had recently been an executive order issued which invalidated any contracts made where a commission had been paid.

Mr. Newman then spoke up and said, "Gentlemen, you are right. I am sorry this subject matter has been mentioned. I think there is a statute that forbids officers or agents or representatives of the Government being interested in any contracts dealing with the Government."

Mr. Hodge, as I recollect, said, "Well, I do not need a statute to tell me what my responsibilities are to the Government. Mr. Trainer and I have been in the real estate business for a good many years, and we know what is right. We do not need to have you or anybody else tell us."

Mr. Newman then stated to me, "Well, Mr. Trainer, in the event that this property comes up to you for appraisal, or in the event that it is offered, what would be your action toward it?"

I said, "Well, identically the same as it would be toward any property that I might have to pass on, offered to the Government." He

said, "Well, that is very satisfactory, and is all that we would expect."

That interview ended, Mr. Hodge and Mr. Clark and I left that office together, and I did not see those men or did not hear from them until I was asked to be there on the afternoon of the 2d day of July."

Mr. ADCOCK. Do you remember who asked you, Mr. Trainer?

Mr. TRAINER. I do not. I know that I did not communicate with them at any time. Some one communicated with my office and asked that I meet with Mr. Hodge and Mr. Poppenhusen at 2 o'clock, or some time in the afternoon, of the 2d of July.

Mr. ADCOCK. Prior to that had you received this plat [indicating plat]?

Mr. TRAINER. I had. The plat was sent to my office about the 1st of July.

Mr. ADCOCK. That is the plat that was referred to this morning in Mr. Shank's examination. Who were present at this conversation on July 2, Mr. Trainer, and what was said at this conversation?

(The plat referred to was marked by the stenographer "S.")

Mr. TRAINER. Mr. Shank and I went to the office of Poppenhusen and Newman together. As we went in we were taken to Mr. Newman's room, which is on the left-hand side of the corridor, as I recollect, Mr. Newman's office being on the right-hand side of their suite of offices. As I went in I was introduced to Mr. Erskine, who was sitting just inside of the door, and there were also present Mr. Newman, Mr. Poppenhusen, Mr. Shank, and I think, Mr. Foster.

Mr. ADCOCK. Will you state the subject of that conversation?

Senator HARDWICK. What day was this?

Mr. ADCOCK. The 2d of July.

Senator HARDWICK. The first conversation was June 25?

Mr. TRAINER. Yes, June 25. Mr. Newman said to me, "Mr. Trainer, I have asked Mr. Erskine to meet with us. He is very well connected down in Washington, and knows a good deal of the operation of the departments, and he tells us that your hospital project that you have been working on is not going to be completed."

Mr. ADCOCK. That is, referring to the State Hospital?

Mr. TRAINER. Yes. He said, "He says that that location is not satisfactory to the Surgeon General's Office, and he would like to ask you if you would not undertake to have those men that you have heretofore mentioned help, or invest their funds together with the State in the Speedway location, and let the hospital be developed there?" I said, "Well, if it is only location that you have in your mind. I can say to you now that Mr. Armour and Mr. Thorn have both stated they would not be interested in a location so far removed from the center. They would like to have a large location, that is, a large area of land, but they would not come to that location. They definitely said they would not do so."

Mr. ADCOCK. Did you give the reason?

Mr. TRAINER. The lack of transportation and the desire of the State and Mr. Armour to have the hospital close to the Illinois Medical School, the College of Physicians and Surgeons, and also to have the hospital near to and convenient for industrial cases.

They urged the subject matter on me—that they thought it was such a desirable location, and it was big, and there was such a big op-

portunity to develop the particular project; that the transportation agencies could be easily overcome; that there had been some agreement or promise by the elevated railroad officers to build the elevated road line out as far as the Speedway, and that they thought that the Twelfth Street car line, which then stopped at Harlem Avenue, could be extended out without difficulty—but I still stated to them that Mr. Armour and Mr. Thorn said that they would not approve such a location, and that for that reason there was nothing further that I could do in reference to that.

They then stated that they had decided to develop a plan along the line required by the Surgeon General's Office, and were going to offer it and attempt to secure or sell that property to the Surgeon General or the War Department and build a hospital there, and I said I should be very glad to see them do so.

Mr. ADCOCK. Did they have any plans of a hospital, or any plat of this ground there?

Mr. TRAINER. I do not recall that they did.

Mr. ADCOCK. Did you, from that time on, have anything to do with this Speedway project?

Mr. TRAINER. No; I did not. Maj. Holden asked me, I think, about the middle of September—I had been absent from Washington from about the 18th or 19th of August to about the 12th of September with Gen. Noble, over in and around the New York office, on emergency hospitals, and he was having some difficulty in obtaining a real estate valuation—he just asked me what I thought that property was worth, as a Chicago real estate man. That was all.

Mr. ADCOCK. Did you tell him?

Mr. TRAINER. Yes; I told him what, in my opinion, was a fair market value of the land.

Mr. ADCOCK. What was it?

Mr. TRAINER. One thousand dollars an acre.

Mr. ADCOCK. When did you leave Chicago for Washington?

Mr. TRAINER. I left Chicago on the 11th day of July to come to Washington to enter into the real estate department. I arrived here on the 12th, and was put to work, I think, on the morning of the 14th.

Mr. ADCOCK. When were you sworn in—when did you take the oath of office?

Mr. TRAINER. As well as I can recollect, it was on the 16th day of July. I was sent immediately out of Washington, on the 16th day of July, on the air nitrate plant at Toledo and the picric and sulphuric acid plants at Grand Rapids.

Senator FRANCE. Those were your first trips in the service of the Government?

Mr. TRAINER. Yes; that was my first assignment in the service of the Government.

Senator FRANCE. And you had not been on the Government payroll or in the Government employ previous to that?

Mr. TRAINER. No; I had not. I have never received any money since I have been in the Government service, so that I do not know that I can say that I have ever been on the payroll. I do believe that they put me on at a dollar a year.

Mr. ADCOCK. Just state what your official position was, there.

Mr. TRAINER. Well, I was in the real estate department, and I think in my traveling orders I was designated as a real estate expert, very much to my embarrassment.

Mr. ADCOCK. You say you left Washington on the 16th, and where did you go?

Mr. TRAINER. I went to Toledo.

Mr. BENNET. On the 16th of July?

Mr. ADCOCK. On the 16th of July; yes.

Mr. TRAINER. Yes; I went to Toledo, and arrived in Toledo, if my memory serves me, late in the afternoon of the 16th. I encountered a wreck near Baltimore, so that I had to go back and come around by Philadelphia, so that I lost my connection at Pittsburgh and had to change cars at Mansfield, Ohio; and I had an appointment there with Col. Joyce and some other officers, and I missed that appointment because of my train being late, and I recall, in that way, that it was late in the afternoon of the 17th of July. I remained there until about the 25th of July and went on to Grand Rapids, Mich., on the night train, and arrived in Grand Rapids the following morning and remained in Grand Rapids until the night of the 5th day of August.

Mr. ADCOCK. What were you doing in Grand Rapids?

Mr. TRAINER. I was appraising lands and obtaining prices upon the 2,000 acres required by the War Department for the picric and sulphuric acid plants located there, to be operated by the Solvay Co. Their representatives met me there.

Mr. ADCOCK. And at Toledo, you went there with reference to obtaining the site for nitrate plant No. 3?

Mr. TRAINER. Yes; for air nitrate plant No. 3.

Mr. ADCOCK. And on August 5 you left Grand Rapids?

Mr. TRAINER. In the evening, and returned—or in the night and returned—to Toledo for a conference with the real estate board.

Senator HARDWICK. Those details the committee are not interested in.

Mr. ADCOCK. If the committee does not care for them, very well.

Senator HARDWICK. I do not think we are interested in them.

Mr. ADCOCK. Then you returned to Washington when?

Mr. TRAINER. I returned to Washington from Cleveland, Ohio, arriving in Washington in the late afternoon of the 13th of August.

Mr. ADCOCK. Were you in Chicago during the period from July 11 to September 13?

Mr. TRAINER. September 19 I arrived back in Chicago; in the late afternoon of September 19. That is when I got back in Chicago.

Mr. ADCOCK. Yes. What did you do while you were in Washington, after you returned on the 13th of September?

Mr. TRAINER. I completed my reports on those propositions, and did whatever other work was placed before me in the department. There was a great deal of detail work in those departments having to do with the properties that are constantly under negotiations.

Mr. ADCOCK. You left Washington, then, on September 19 or September 18?

Mr. TRAINER. September 19, as I recollect, I left for New York—no, for Chicago.

Mr. ADCOCK. For Chicago? What was the purpose—

Mr. TRAINER. The Surgeon General had made a recommendation, as it was then explained to me, to the Director of Operations, and the Secretary of War, that the necessity of hospital beds was such, and the restrictions of the War Industries Board on construction were then such, that it was deemed best to obtain as early as possible, if I recall correctly, 38,500 beds, by leasing or purchasing existing buildings, and the recommendation for the authority to appoint such a committee was made by the Surgeon General and by the Construction Quartermaster, and by the War Industries Board, to the Director of Operations, who had indorsed the recommendations of those divisions to the Secretary of War for the authority for the selection of a committee headed by the Surgeon General, and having associated a member of the construction division and a member from the real estate section and the Purchase, Stores, and Traffic Division. I left a day or two ahead of Gen. Noble, that I might go back to my office in Chicago and have a couple of days at my own business, and met with Gen. Noble, and Col. Wright who, as I had understood, was to be the other member of the commission, he representing the construction division in Chicago, upon the 23d of September.

I did meet Gen. Noble and Col. Wright that morning of the 23d of September, in Chicago, and it was then stated to me that Col. Wright would not be able to accompany Gen. Noble throughout this whole trip, as his duties were such that he would be required to return to his office in Washington at a very early date, and that he was endeavoring to arrange to have Mr. Richard E. Schmidt, of Schmidt, Garden & Martin, a very competent and reliable architect there, whom I had known for a good many years, to take his place on the commission; and we then adjourned to Mr. Schmidt's office for the purpose of settling the matter with him.

Mr. ADCOCK. Did you state how the men on this commission were appointed; that is, who appointed them?

Mr. TRAINER. No; I did not state that.

Senator HARDWICK. That is in the record.

Mr. ADCOCK. Yes; he said they were appointed by the heads of the different departments.

Senator HARDWICK. That is in the record and is undisputed, so that there is no need to prove it.

Mr. ADCOCK. I did know that it was; if the chairman will pardon me.

Senator HARDWICK. There is no harm done. There is no need to go into it.

Mr. ADCOCK. Will you state what the commission did at Chicago? First, what were the duties, as you understood it, of each member of the commission—the particular duties?

Mr. TRAINER. The order and recommendation, or the recommendation and order, of the director of operations, as I understood the responsibility, as the representative of the Purchase, Storage and Traffic Division, was that we were all three to make close examinations of all properties available, or that might be available, for hospitals; that we should collaborate and cooperate, and must agree—our orders specifically recited that we must agree—on any project

to lease or purchase, and as to the construction, its location, and any other elements that might enter into the use of that property.

Mr. ADCOCK. You were to obtain, if possible, facilities for 10,000 beds in the vicinity of Chicago?

Mr. TRAINER. In the vicinity of Chicago.

Mr. ADCOCK. In Chicago and vicinity?

Mr. TRAINER. In Chicago and vicinity, yes. I will state that the very first meeting we had, Gen. Noble stated that John Barton Payne, who was chief counsel to the Director General of Railroads, had offered Washington Park and Marquette Park in Chicago, he being the president of the board of trustees controlling those parks, to the War Department, without compensation, including the power plants and water service and whatsoever the parks had available, if they were suitable for the use of the surgeon general for hospitals, and had also called to his attention, as the War Industries Board had, the Field Museum buildings; and that he had called upon Judge Payne in Washington in reference to the Field Museum, and that was the first thing he wanted to look at.

Mr. SCHMIDT. Gen. Noble, Col. Wright, and myself went, the first day, and the first forenoon we met, and examined the Field Museum; and that same day, if my memory serves me correctly, we asked for a meeting with Mr. Stanley Field, Gen. Noble communicating with Mr. Field, he being the chairman of the board of trustees, and we met him in the afternoon at the Chicago Club and he took us back to the Field Museum with his architect, Mr. Graham, and the matter was very fully gone into, and Mr. Field then stated to the commission that they could not permit the museum to be used, and stated their reasons; that they had very extensive exhibits in the old Field Columbia Museum out in Jackson Park, and the building was non-fireproof and in a bad state of repair, and the trustees were reluctant to keep the exhibits, which as I recall they stated to be worth approximately \$20,000,000, in that old building an hour longer than they could remove them to the new fireproof building, and for that reason they would not and could not permit the museum to be used.

A couple of days later, after we had examined a great number of buildings, the list of which had been furnished to us by the regional director of the War Industries Board and by the State Council of Defense, who had been communicated with from Washington asking them to obtain suitable buildings to present to the commissions upon their arrival—that was both to the commission in the eastern district and to us who were in the western district—we wrote, as I recall on the 27th of September, a letter to Mr. Field in which we stated that the commission had made a very thorough investigation in Chicago and was very desirous of having the Field Museum as a hospital, if it was possible. It was under date of September 25.

Mr. BENNET. A letter from whom to whom?

Mr. TRAINER. It was from the committee, signed by Gen. Robert E. Noble, Col. C. C. Wright, and myself.

Mr. BENNET. Under what date?

Mr. TRAINER. September 25, 1918, addressed to Mr. Stanley Field, chairman of the Field Museum Board of Trustees, Chicago, Ill.

Senator FRANCE. What does it say? Read it.

Mr. TRAINER. It reads as follows [reading]:

PURCHASE, STORAGE, AND TRAFFIC DIVISION, FACILITIES DEPARTMENT.  
September 25, 1918.

Mr. STANLEY FIELD,  
*Chairman Board of Trustees, Field Museum, Chicago, Ill.:*

1. This property (New Field Museum) is desired at as early a date as possible by the United States Government for hospital purposes.
2. It is suggested that you place this matter before your board presenting to them the urgent need of the Government. In this connection it might be stated that a thorough search has been made of the city, and but few of the 10,000 beds desired for this district can be obtained.
3. We would be glad to meet with you at a convenient hour to-morrow for further discussion of this matter.

Respectfully,

ROBERT E. NOBLE,  
*Brigadier General, Representing the Surgeon General of the Army.*  
C. C. WRIGHT,  
*Lieutenant Colonel, Representing Construction Division Q. M. C.*  
J. MILTON TRAINER,  
*Representing Purchase, Storage and Traffic Division.*

Mr. ADCOCK. Perhaps, while you are on this Field Museum project, you might follow it through the different steps taken by your commission.

Mr. TURNER. As I recall, the interview after the writing of that letter was at Mr. Graham's office.

Senator FRANCE. Go back to the very beginning. You say Mr. Payne was the one who suggested the use of the museum?

Mr. TRAINER. So I was informed by Gen. Noble when I met him in Chicago.

Senator FRANCE. Gen. Noble was the first one to suggest visiting the Field Museum?

Mr. TRAINER. Yes, he was the first one to suggest it, although we had it, I think, it being the first thing in the list certified by the War Industries Board and the regional director as suitable, that came to us in considerable quantity, as soon as we arrived in Chicago.

Senator LENROOT. You were not considering the Speedway proposition at all at this time?

Mr. TRAINER. No; I did not, and it was my understanding from Gen. Noble, who was the head—or "chief," I think, was his title—of the hospital division of the Surgeon General's office, who was the head of our commission, that it was not possible for us to consider the Speedway because it was in the hands of our superior and unless he invited us to make some report to him we did not feel—that was my impression, and I got that same impression from Gen. Noble, Col. Wright, and Mr. Schmidt, that until the Secretary made some request of us, or gave us some direction, we could not have anything to do with it.

Senator LENROOT. Did you know anything about the telephonic conversation to that effect, that it should not be started?

Mr. TRAINER. Yes; I will state that my office was in Chicago used by the commission, and my whole force was taken charge of, and those telephonic conversations occurred over the telephone in my office.

Senator FRANCE. While you were on the Speedway question, did you meet Maj. Starrett out there?

Mr. TRAINER. I did not.

Senator FRANCE. While you were in Chicago?

Mr. TRAINER. Never have met him. I know him when I see him from having seen him in the department.

Senator FRANCE. You have never talked with him or seen him up until that time?

Mr. TRAINER. Never have talked with him on any subject to my knowledge.

Senator FRANCE. Or written to him?

Mr. TRAINER. No, or communicated with him in any way; knew nothing about him having had this subject matter up until I heard it at this hearing.

Mr. ADCOCK. Never knew that he had it up until this hearing?

Mr. TRAINER. I did not; knew nothing about it.

Mr. ADCOCK. Was the Field Museum Building, the new Field Museum Building, occupied or used in any way?

Mr. TRAINER. No, not the Field Museum. The Field Museum is a white marble structure located on a building site in the south end of Grant Park, which is the park that stands on the lake front of Chicago, in front of our business section. This location I am quite conversant with, because it had to do with the new city plan where some street widening and street extensions and some rearrangement of some particular terminals were projected, and finally approved, although not yet all completed in detail; that is, the construction completed. I had never been in the museum nor knew nothing about it until I went to it with Gen. Noble and Col. Wright and Mr. Schmidt. I could see it from my office building, because it is very plainly out there on the lake front a good deal like a sore thumb, although a very pleasant site. The building has been under construction for, I should say, some two or three years. The committee was advised when we met with Mr. Field and Mr. Graham, his architect, that the trustees had not been pressing the work of the Field Museum.

Mr. ADCOCK. Pardon me just a second. I did not know whether Senator France—he seemed to be interested in this particular matter—whether we should wait for him. He has gone out for a minute.

Senator HARDWICK. We will suspend a moment.

Gentlemen we will have to resume, Senator France and Senator Lenroot will be back in a short time. We will never get through if we wait for all of them.

Mr. TRAINER (continuing). For the reason that the War Industries Board had forbidden the use of certain materials, and for the further reason that the contractors, who had fixed-sum contracts, had been complaining of the cost both of labor and material and further that the fund of the trustees, the building fund of the trustees, as originally set out, \$6,000,000, had been invested mostly in mortgage securities.

Senator HARDWICK. Just a moment, gentlemen. Do you not think that you can very much abbreviate this thing by rifling it on the point as to the objections they raised in negotiations.

Mr. ADCOCK. What objections were raised in the course of the negotiations by the Field Museum people?

Senator HARDWICK. What is the exact relevancy of that with Mr. Trainer's action in this matter?



Mr. ADCOCK. The real thing was that there was a certain inquiry made with reference to this, and I want to explain it. I will ask you this question: In a general way, when was the next step in the negotiations? Had you understood that you were authorized, or did you have to get authority from any higher officer?

Mr. TRAINER. The hospital committee had authority, as we understood it, to lease any building that we could unanimously agree upon. The cost of the hospitalization of the museum was a considerable item, and the plans and specifications and the details of that of course the committee had to rely on—

Senator HARDWICK. Let us see if I can shorten it a little. Did this commission advise on the Speedway project in any form?

Mr. TRAINER. We did not and could not.

Senator HARDWICK. You did not consider you had the right?

Mr. TRAINER. We had no right.

Senator HARDWICK. Officially did you ever take any action one way or the other or make any recommendation in respect to the Speedway, whether it should be accepted or rejected?

Mr. TRAINER. Not officially.

Senator HARDWICK. Unofficially?

Mr. TRAINER. Unofficially Gen. Noble and I and Mr. Schmidt, in our desire to get our beds in Chicago as quickly as possible—

Senator HARDWICK (interposing). Thought about it?

Mr. TRAINER (continuing). Thought about it and the General called up—

Senator HARDWICK (interposing). Whom did he call up?

Mr. TRAINER (continuing). Col. Kramer, who is the ranking officer, I believe, in the hospital division, during Gen. Noble's absence.

Senator HARDWICK. That is the telephone conversation referred to?

Mr. TRAINER. Yes.

Senator HARDWICK. And that was that this Speedway might be considered by the committee?

Mr. TRAINER. Gen. Noble called up and said, "There has been a suggestion made that if a body of Chicago men, known to be sound in their integrity and public spirited men could suggest to the Secretary that if he would like to have them look into it and recommend it, they would do so, and if they did so that would give the Secretary a basis for approval." We talked that over.

Senator HARDWICK. If the project was all right, what basis did he need for approval?

Mr. TRAINER. Well I do not know anything about it. I assumed—

Senator HARDWICK (interposing). Well, let us see—

Senator BECKHAM. I think that is interesting.

Mr. TRAINER (continuing). And we stated, or Gen. Noble stated to Col. Kramer that he had talked with a gentleman in Chicago who believed that a committee of men, three or four, would be willing to undertake to look into it and recommend it.

Senator HARDWICK. Taking over the Speedway project?

Mr. TRAINER (continuing). And Col. Kramer stated he would let us know about it, and under that same date did wire to the general, and I think I have that telegram here.

Senator HARDWICK. Suppose you read that.

Senator BECKHAM. Who made that suggestion to Gen. Noble?

Mr. TRAINER. I think the suggestion was made by Mr. Wallis Clark, my partner.

Senator HARDWICK. That the Speedway might be considered under those circumstances

Mr. TRAINER. No; it was already considered and Gen. Noble—

Senator HARDWICK (interposing). By the committee?

Mr. ADCOCK. By the department.

Mr. TRAINER. The commission—we felt that it might very much aid our work in Chicago if the Speedway project could have been approved, because we spent 30 days trying to get beds and they did not exist, and if that one could be developed and approved, it would relieve us.

Senator HARDWICK. Lessen your labor just that much.

Mr. TRAINER. Because we had been there 30 days and had accumulated 625 beds, working early and late.

Senator BECKHAM. Did you and Mr. Schmidt and Gen. Noble discuss that question before he called up over the telephone the Washington office and agree that he should do it?

Mr. TRAINER. We discussed as to whether we could—

Senator HARDWICK. Whether you had a right to consider the Speedway?

Mr. TRAINER (continuing). Whether we could make a suggestion to the Surgeon General's office that might result in the Secretary asking us to look into it and advise him, feeling that we might be able to advise him in connection with the whole situation in Chicago.

Senator HARDWICK. The colonel said he would let you know, and he did subsequently wire you?

Mr. TRAINER. Yes; he subsequently wired; and I have that wire in this book, I am quite certain.

Senator HARDWICK. You can state the substance of it and put it in later, to save time.

Mr. TRAINER. Here it is, right here.

Mr. ADCOCK. This was in response to the telephone conversation with Col. Kramer, as I understand it.

Mr. TRAINER. Yes; and I will say that the telephone conversation was brought up by the first telegram that we received. If you will permit me, I will read it. [Reading:]

WASHINGTON, D. C., September 27, 1918.

Gen. ROBERT E. NOBLE,

(Care commanding officer Fort Snelling, Minn.).

Fort Sheridan 2,500 beds approved. Speedway disapproved. Edward C. Elliott, chancellor university, Helena, Mont., wants to know your arrival Helena.

RICHARD KRAMER, *Acting Surgeon General.*

Senator HARDWICK. This is the answer?

Mr. TRAINER. That was the first telegram that we got, and that brought out our desire to find out if we could do anything about the Speedway.

The next telegram is [reading]:

WASHINGTON, D. C., September 27, 1918.

Gen. NOBLE.

(Care surgeon, Fort Snelling, Minn.).

I believe Speedway disapproval indefensible; reconsideration to be requested; any pressure will keep.

KRAMER.

Mr. ADCOCK. That was in response, as I understand it, to Gen. Noble's telephone?

Senator HARDWICK. I do not exactly understand what it means. Of course, it will speak for itself in a way. There is some cryptic language in it to me.

Mr. TRAINER. I will tell you what I think it means: Nothing that we could do about it until they gave us some further instructions.

Senator HARDWICK (reading). "I believe Speedway disapproval indefensible"; I guess that is a stop. The next statement seems to contradict that: "Reconsideration to be requested."

Mr. BENNET. I would suggest to the committee that they get the original from Col. Kramer. I think it is a misunderstanding.

Senator BECKHAM. It is a mistake of the telegraph company.

Mr. ADCOCK. I do not know whether the committee remembers that that was in response to the telephone conversation with Gen. Noble.

Senator HARDWICK. Yes; but I believe he says the disapproval is indefensible. And, second, he says reconsideration is to be requested. If the thing is unavoidable, and disapproved, why should there be a request for reconsideration. "Any pressure will keep." What does that mean?

Mr. TRAINER. I take it that the suggestion that Gen. Noble had made that we were there on the grounds, had suggested that if men of local influence would say that it is a desirable hospital, and if we should like to make some report to him that we could do so, and we thought that would be a good thing. We were all unanimous in the opinion that it might give us an opportunity to say something about it.

Senator HARDWICK. You understood this last sentence to mean "any pressure will keep," that you might possibly do that later?

Mr. TRAINER. Yes. There was nothing that we could do about that then.

Mr. ADCOCK. But the indispensable part, I do not see that.

Senator HARDWICK. No; that is a mistake or something like that.

Mr. BENNET. Probably indefensible.

Senator HARDWICK. That must be what it is, "I believe disapproval indefensible."

Mr. TRAINER. I can only state that that is the message we got, and that we took it that it meant for us to attend to our own business.

Senator HARDWICK. If you change this letter "p" to "f" it is "indefensible." Had you noticed that?

Mr. TRAINER. Yes. I have studied the telegram. The last three words have guided us.

Mr. ADCOCK. That telegram which you referred to, which reads, "Fort Sheridan 2,500 beds approved, Speedway disapproved," that is dated the 27th I believe.

Mr. TRAINER. It was dated the 27th.

Mr. ADCOCK. It was between the time you received the telegram from Richard, Acting Surgeon General, and the time you received the telegram stating "I believe Speedway disapproval indispensable—or whatever it is—that Gen. Noble had this telephone conversation with Col. Kramer?"

Mr. TRAINER. The telephone conversation was after we had had the advice that the Speedway had been disapproved, and I think that

information came to us after we had had some advice that Fort Sheridan had been approved.

Mr. ADCOCK. Your recollection is that Mr. Schmidt said that Gen. Noble had telephoned from the other end of the line in Washington that you were not to consider the Speedway proposition. That is the way you construed this message.

Mr. TRAINER. We not only left Washington knowing that we were not sent there, as I understand, but we could not have considered any form of Government property. We never investigated any.

Mr. ADCOCK. Your proposition was to lease or purchase existing buildings and convert them into hospitals without construction work either on the Government's own property or anybody else's, except leases?

Mr. TRAINER. That is right.

Mr. ADCOCK. Did you understand that you had authority to purchase, or only lease?

Mr. TRAINER. To lease or purchase, but there was not a man on the commission that would purchase anything. That, I know. At least personally I felt that I could not be expected to assume any such responsibility.

Senator HARDWICK. It was to provide at the earliest possible moment a lot of beds for wounded soldiers expected from Europe?

Mr. TRAINER. Yes; and we worked early and late on the job.

Mr. ADCOCK. Up until the time you received that first telegram of the 27th, you understood that the Speedway project was under consideration by the War Department and might be approved?

Mr. TRAINER. I had been advised by Gen. Noble—Mr. Schmidt was very conversant with the Speedway matter—that the Speedway was going to be recommended, and he expected to have it as a hospital.

Mr. ADCOCK. Do you know of any telephone conversations that Gen. Noble had later with reference to the Speedway?

Mr. TRAINER. Yes; he had a telephone conversation in my office with Secretary Hare concerning the Field Museum and the Speedway.

Mr. ADCOCK. Do you know what that was?

Senator HARDWICK. That is Secretary Hare?

Mr. TRAINER. I mean Mr. C. Willing Hare.

Senator HARDWICK. Is he secretary?

Mr. TRAINER. We men in our subdivision speak of him as Secretary Hare, as we speak of Secretary Dorr. He may not be a secretary, I do not know just what his title is.

Senator BECKHAM. He is secretary to the Assistant Secretary?

Mr. TRAINER. I think his title on his door is Director of Munitions, down at the Munitions Building, but at the State, War, and Navy Building, I think it is Assistant Secretary of War. I may be mistaken, and am not certain of that. But there are quite a number of assistants in Secretary Baker's and Assistant Secretary Crowell's offices, and many of us get the impression that they are assistant secretaries, when they may not have such a title.

Mr. ADCOCK. Do you remember when this conversation was had between Gen. Noble and Assistant Secretary Hare or whatever it is?

Mr. TRAINER. In the early days of October, I should say a day or so before Gen. Noble left the commission.

Mr. ADCOCK. When did he leave the commission?

Senator HARDWICK. The 5th, wasn't it?

Mr. TRAINER. Around the 8th day of October.

Senator HARDWICK. That is near it.

Mr. ADCOCK. I think that telephone conversation has been testified to here, has it not?

Senator HARDWICK. Yes, to some extent. Do you know anything about that telephone conversation?

Mr. TRAINER. I had the general's end of it.

Senator HARDWICK. What was he applying for information to Mr. Hare about—the Speedway?

Mr. TRAINER. He was naturally desiring to know the maximum bed allotment at Fort Sheridan and further the action of the Secretary of War on the Speedway.

Senator HARDWICK. Whether there was any chance for the Speedway to be used or not, because of course, that affected your problem of how many beds?

Mr. TRAINER. The general further stated to Mr. Hare that the committee might have to ask for the authority to requisition the Field Museum, as they had up to that time declined to permit it to be used, and we had further advised the Secretary then, or Mr. Hare then, that there was a big liability in attempting to requisition it, because the building was in such a state of construction that we would be naturally burdened with the construction by having the trustees carry the building to the point of receiving hospital construction.

Senator HARDWICK. Well what did he say to him about the Speedway in your presence?

Mr. TRAINER. Nothing more except an inquiry as to whether it was going to reconsidered, and what were the possibilities of its ultimate approval.

Senator HARDWICK. Did you understand from the general from the part of the conversation that you heard, did you get the impression from what you heard as to what Hare's answer was on that subject?

Mr. TRAINER. No, except that Mr. Hines and Mr. Shank were making a further offer, some additional buildings or some additional facilities to their original plans and figures, and that the matter would be definitely settled soon.

Senator BECKHAM. Gen. Noble in his talk recommended that it be reconsidered by Mr. Hare?

Mr. TRAINER. No, I do not think so. I did not get that. I think Gen. Noble was a very capable and diplomatic man, and I think he as a ranking officer realized he was talking to a superior.

Senator HARDWICK. Was he a superior?

Mr. TRAINER. The Secretary of War is his superior.

Senator HARDWICK. These men are representing the Secretary of War in a way?

Mr. TRAINER. Yes. Well, he would express his opinion if he was given an opportunity but he might not advance it. We all get that understanding sooner or later.

Mr. ADCOCK. Did he express any preference between the Speedway and the Field Museum in the telephone conversation, do you recollect?

Mr. TRAINER. I do not recollect that he did. I will say that Gen. Noble was a very warm advocate of the Field Museum. He liked it as a hospital. He had fixed opinions of its desirability.

Senator HARDWICK. He also felt the same way about the Speedway?

Mr. TRAINER. Yes; he felt the Speedway Hospital, as planned, was a very desirable hospital.

Mr. ADCOCK. Now, the final proposition and recommendation with reference to the Speedway that was recommended by all the members of this commission, Col. Northington—

Senator HARDWICK. The Speedway?

Mr. ADCOCK. I mean with reference to the Field Museum, recommended by Col. Northington and Mr. Schmidt and yourself, was it not?

Mr. TRAINER. It was. Our reports were all joint, and I never heard any objection or criticism or suggestion of any member of the commission to signify that the action taken was not unanimous. It was approved by every man having to do with it.

Senator HARDWICK. Just for our information, before you pass that, the Field Museum lease has been canceled since that?

Mr. TRAINER. Yes; the Field Museum lease did not go into effect until the building was completed as a hospital by the lessors, and the date set in the lease as to when it might become effective was March 1, 1919, and the lessors agreed to have all completed within that time, and to have the east wing of it—

Senator HARDWICK. Since then the department has canceled it?

Mr. TRAINER. Canceled it under date of December 7. That was the date the order went out and the date the commission got notice of the cancellation.

Senator HARDWICK. That is not one of the present hospital facilities of the Government?

Mr. TRAINER. No; it was ordered canceled because it was not required, in quite a lengthy list from the Surgeon General, under date of the 19th of November, when they recommended the cancellation of several hospital projects.

Mr. ADCOCK. The cost of making this building in shape for a hospital and so forth was in the lease provided for as rental, was it?

Mr. TRAINER. No; the rental was at the rate of \$5,300 per month, or at the rate of \$62,500 a year.

Mr. ADCOCK. And that was made up of what?

Mr. TRAINER. That was made of interest at 5 per cent per annum on the money required to be advanced by the trustees to complete the museum to the point of receiving the hospital construction, which was agreed upon by Graham, Anderson, and White, the architects for the museum, and by the representative of the construction division and the representative of this commission of that division as \$824,100, and that at 5 per cent would be \$41,200, and to that was added the \$15,000 that the South Park commissioners pay the trustees so long as they keep the museum open to the public, located in the park, as the museum was now going to be closed under our contract, and the exhibits stored in the basement or a part of the basement. They urged that we should not compel them to take that loss from that contract. And there was further added to that the annual gross receipts, the average of the last three years, and it was

found to be \$8,100 and \$8,000 was used. Later it was suggested to the chairman of the committee that the sum be made \$62,500 and that was done; he said, "All right," and we took advantage of that.

The hospital construction was set up in the lease as an additional covenant that the Government was to repay them as the work progressed.

Mr. ADCOCK. And a certain amount of that was for construction work to make it available as a hospital?

Senator HARDWICK. Let me see. Besides the rental that would cost this \$820,000?

Mr. TRAINER. No, \$824,100 had to be expended by the trustees.

Senator HARDWICK. But the Government was to reimburse them?

Mr. TRAINER. Only a rental to pay interest on the money.

Senator HARDWICK. For how long a period?

Mr. TRAINER. For whatever period we occupied the property.

Senator HARDWICK. Then would the Government finally be reimbursed for that outlay?

Mr. TRAINER. They never would. That is part of the structure. They would have had to do the work anyway, but their plan, if we compelled them to do it, under our plan, under present prices, and in advance of the time they would do it, and to realize on their securities, and sell them or borrow the money, they had to arrange to borrow that money, and the shrinkage on the market value of those securities was about 30 points. So in order to complete the building in accordance with the original plans, they would have to borrow money, and we paid interest on the money that they advanced, in advance of the time they otherwise would build that particular part of their work. Their work was at a standstill, due to the war and the exactions of the War Industries Board.

Mr. ADCOCK. In other words they would not have been compelled to expend that money then except for this lease.

Mr. TRAINER. They would not.

Mr. ADCOCK. Was there any charge for the use of the building outside of the money that you have mentioned?

Mr. TRAINER. There was not.

Mr. ADCOCK. Nothing for the land? Or anything like that?

Mr. TRAINER. Not at all. The land belonged to the South Park Commissioners, and the lease made with the War Department bound the commissioners too. The Museum occupied the Park premises and the commissioners approved the lease too. That was partially due to the fact that the South Park Commissioners were bound under a contract with the Museum to provide the location and complete it and grade and build the roads and walks to and around this Museum.

Mr. ADCOCK. I just want to ask one other question. Then there was an item there that the Government was to pay which was represented by the cost of constructing the building into a hospital at an expenditure of \$841,000.

Mr. TRAINER. Yes; that is right.

Mr. ADCOCK. Were there any other items? That covered practically the entire expense to the Government, did it not?

Mr. TRAINER. The rental was at the rate of \$62,500 annually, and was arrived at by computing interest on these other items.

Mr. ADCOCK. He has given that.

Mr. TRAINER. Yes. The hospitalization cost which the owners were required to do and which the Government agreed to pay for was additional to the rental that I have explained.

Mr. ADCOCK. Who figured that?

Mr. TRAINER. Mr. Richard E. Schmidt for the commission, and Capt. Starr for the Construction Division, sent from the Quartermaster's office for the purpose of working with Government architects and engineers for the purpose of completing hospital plans and specifications, and details by which this hospital construction would be made from the plan and the plat as then existed.

Mr. ADCOCK. How many square feet were leased by the Government in the Field Museum?

Mr. TRAINER. Five hundred and twelve thousand feet, I believe, was the area. I will give you that in just a minute. The building contained 691,000 available square feet. Five hundred and twelve thousand square feet were covered by the lease to the Government for hospital use.

Mr. ADCOCK. When was this project finally approved by the commission, and your approval sent on to Washington, the Field Museum project?

Mr. TRAINER. I will state for the benefit of the committee here that upon Gen. Noble's return to Washington on his way to France he conferred with the director of operations upon the whole Chicago program and the work of the commission up to that time. Under date of the 13th, I think, of October I was advised by the director of operations to—

Mr. ADCOCK (interposing). You mean—when you say "I," you mean the committee?

Mr. TRAINER. It came to me in this form [reading]:

WASHINGTON, D. C., 12.44 p. m. 13.

J. MILTON TRAINER,  
1508 Michigan Boulevard Building, Chicago, Ill.

Field Columbian Museum question will be decided definitely to-morrow, October 14. You will be notified.

JERVEY.

Senator HARDWICK. I thought the commission was to handle it.

Mr. TRAINER. The commission advised each subdivision of any subject matter, just because we felt that we did not want to carry the responsibility alone.

Senator HARDWICK. In other words, you wanted them to approve what you did.

Mr. TRAINER. We wanted them to know what we were doing so that if they wanted to change our actions in advance they would have the opportunity to do so.

Now, on the 14th or the 15th I received another telegram from the director of operations. It is dated October 15. [Reading:]

OCTOBER 15, 12.27 p. m.

J. MILTON TRAINER,  
1508 Michigan Boulevard Building, Chicago, Ill.:

Regarding Field Museum, understand further information involving considerable increase in cost is on its way here. Unless lease closed, hold open for further instructions.

JERVEY.



The following morning I called the director of operations and asked him from what source the other information was coming to him, and he answered me, stated the substance of his telegram, and he asked me to read it to him, which I did, and he said, "Mr. Trainer, I did not authorize that telegram."

Mr. ADCOCK. This one of the 15th which you just read?

Mr. TRAINER. "I did not authorize that telegram. I think Col. Dickinson must have sent it, and the commission should go on with its work. You are behind in your schedule." Of course, we knew that we were behind in our schedule. We were due at St. Paul then.

Mr. ADCOCK. The commission had not sent any revised estimate to Washington?

Mr. TRAINER. No.

On the same date, I or the commission, sent the director of operations this telegram:

CHICAGO, ILL., October 16, 1918.

NIGHT LETTER.

Gen. HENRY JERVEY.

*Director of Operations, Washington, D. C.:*

Reference Field Museum Building, tentative agreement with Stanley Field, president of board of trustees. Rent at rate of \$62,500 annually. Option to renew lease by fiscal years to June 30, 1921, and one year after peace, whichever time longest. Construction cost within museum building and grading grounds around buildings, including proposed barracks buildings, to be located adjoining museum building, and including cost permanent packing for storage museum exhibits in basement of museum building and reconversion of building at end of Government's occupancy into museum, \$1,104,300. Reasonable normal bed capacity, 4,000. Mess hall for patients and personnel located on ground floor. Barracks building sufficient to house personnel to be constructed on park lands adjoining museum building rent free; estimated cost, \$554,063. Total outside cost entire project, \$1,658,000. Cost per bed first year, including rental, \$430. Bed cost succeeding years, \$15.60.

NORTHINGTON.  
TRAINER.  
SCHMIDT.

Certified a true copy.

I heard nothing further, and on the evening of the 23d of October the commission had boarded the Chicago & North Western Railway train for St. Paul, Minn., and we sent to the director of operations this telegram. [Reading:]

OCTOBER 23, 1918.

Gen. HENRY JERVEY,

*Washington, D. C.:*

Reference Field Museum of Natural History Building, Chicago. Leases closed and signed by trustees and this commission. To be completed as hospital by lessor on or before March 1, 1919. Expected that sections will be completed for patients within 60 days. Rental at rate of \$62,500 annually. Option to Government to renew by fiscal years to June 30, 1921, and one year after peace, whichever time longest. Cost of construction necessary for hospitalization to be done by lessor and paid to the lessor by War Department, \$1,071,510. Necessary barracks for nurses and enlisted men personnel and hospital kitchen to feed all patients, nurses, and enlisted personnel and grading roads and walks and relocation present switch tracks, barracks, garage, and fire station, complete, with heating located on park lands adjoining hospital, \$505,000. Contract for barracks and other outside work to be let by chief construction division. Total cost, including rent to June 30, 1919, Field Museum hospital barracks and other outside construction, \$1,597,343. Patient bed capacity, 4,000. Cost per bed, \$399. Bed cost per year after first year, \$15.62.

NORTHINGTON  
TRAINER.  
SCHMIDT.

Mr. ADCOCK. Did you send the written report to the director of operations at Washington?

Mr. TRAINER. Yes, sir.

Mr. ADCOCK. The original of that is in the department files?

Mr. TRAINER. A report was sent to each division represented, one to the construction division, one to the director of operations, one to the division of real estate section of the Purchase, Storage and Traffic Division of the General Staff.

Mr. ADCOCK. That was done with reference to all approvals on all contracts?

Mr. TRAINER. In reference to all matters either approval or communications concerning the properties prior to approving the same.

Mr. ADCOCK. What other properties did you acquire in Chicago or lease in Chicago for hospital purposes?

Mr. TRAINER. The commission leased the Cooper Monatah Hotel, a new hotel building at the northeast corner of Drexel Boulevard and Forty-second Street. The construction of this building was well along, the three top floors and many of the partitions were set, and I think the bucks were set on some of the floors. The plastering was well advanced on the lower floors.

Mr. ADCOCK. It is unnecessary to go into details.

Mr. TRAINER. There were three residence buildings obtained adjoining this. The residence of Mr. N. W. Harris, the banker, was given to the Government for \$1 a year, as was the residence of A. O. Slaughter—Lieut. Slaughter was then in France—and the residence of Albert W. Harris was also given, each of those at \$1 a year. They were quite pretentious properties, having cost somewhere upward of a quarter of a million dollars each, and they were given for the housing of nurses and officer personnel connected with the operation of that hospital.

I will state here that those parties were all friends of Mr. Clark's and mine, and it was entirely at his suggestion, I think, that they offered and gave their properties.

Mr. ADCOCK. They were used in connection with the Cooper Monatah, or to be used in connection with that?

Mr. TRAINER. Yes. They were obtained after the hospital lease was agreed upon and signed.

Mr. ADCOCK. The Field Museum and the Cooper Monatah were the only properties that you leased in Chicago?

Mr. TRAINER. That we actually did lease. We examined every building known to me, and every building that the State council of defense and the regional director of the War Industries could ascertain that might be had, and the reports were forwarded to each of the divisions right in connection with all the city property, so that if the war went on we might have in 1920 to go back and take many things that we then did not think were suitable.

Mr. ADCOCK. Did you acquire by lease any properties in the vicinity of Chicago, this commission?

Mr. TRAINER. Yes. We made a lease of the Ford Motor Car building in Milwaukee and a couple of small buildings adjoining that to house enlisted personnel. We also made a lease of the Ford Motor Car building at Des Moines, Iowa, and of the St. Catherine's Home for Working Girls adjoining that, a property belonging to the Catholic Bishop. We made a lease of the West Baden Springs Hotel, at West

Baden Springs, Ind. We examined a great many properties in all the small cities in and near, within 150 or 200 miles around Chicago, such as Waukesha, Wis., Battle Creek, Mich., Grand Rapids, Mich.—

Mr. ADCOCK. Did you visit St. Paul?

Mr. TRAINER. Yes; we visited St. Paul, Minneapolis, Mankato, and all through that district.

Mr. ADCOCK. Did you have a conversation with anyone in Chicago with reference to the action of the commission in reference to the Field Museum or other properties?

Mr. TRAINER. I did.

Mr. ADCOCK. Who was that with?

Mr. TRAINER. I had one conversation or two conversations with Mr. George M. Reynolds, the president of the Continental National Bank, about the 14th of October, and I had a later conversation with Mr. Reynolds about the 21st of October.

Mr. ADCOCK. Will you state what those conversations were—that is, the substance?

Mr. TRAINER. At the first conversation Mr. Reynolds asked me and my partner, Mr. Clark, to come to his office. We did so, and when I arrived there he said:

Mr. Trainer, Mr. Hines has been in to see me and states that you are using my name rather freely and that you have made a suggestion that has been brought to him that he pay you a commission, and he has mentioned the sum of \$100,000, and if he would do so, that you would undertake to complete his Speedway project.

It quite disturbed me, as I had known Mr. Reynolds for a great many years and had represented his bank and had represented him personally in negotiations for the block of land on which the bank was built, and I had purchased the land for the bank, and I sold for the same bank the American Trust & Savings Bank Building, which had been taken by them in consolidation of the American Trust & Savings Bank, and I had also sold for him the Commercial National Bank Building, which was valued at \$8,000,000 and which had been taken in the consolidation of the Commercial National Bank.

I said to Mr. Reynolds that I had not used his name unduly; that I had frequently spoken of him as a friend of mine and a man that I knew well; that I had not met Mr. Hines; that I had made no overtures or suggestions to Mr. Hines, either directly or indirectly; that I had been invited to meet at Mr. Hines's lawyer's office in June, before I went into the service, in which it had been suggested to me that they would be willing to pay me a commission if I would undertake to sell the property, though I did not take any exception to that suggestion at that time, because I did not think that Mr. Shank meant anything wrong about it, because he did not know whether I was in the service—at least, it did not occur to me that he knew, though he had made the same suggestion to Mr. Hodge. And I explained to Mr. Reynolds in detail about that, and that I could not do anything about the Speedway, because, no matter how much I would like to, it was in the hands of the Acting Secretary of War, and the commission which I was on had disapproved it, or had been advised of the Secretary's disapproval of it; that again we were directed to purchase or lease existing buildings.

"Well," he said, "Mr. Trainer, your first reason is enough." I said, "Well, I believe so, Mr. Reynolds, because I do not believe that one of your cashiers could make a loan for two and a half million

dollars that he knew you had theretofore disapproved, and this being in the hands of the Secretary of War, it would not be possible for me to do anything about it." With that I left his office.

On October 21, or about the 21st of October, I was again called back to Mr. Reynolds's office, and my partner went with me, Mr. Clark. He then stated that Mr. Popenhusen had called upon him and that he mentioned or stated to him that Mr. Hines had sent him to see Mr. Reynolds; to say to Mr. Reynolds that the hospital commission of which Mr. Trainer was a member was about to conclude a lease of the Field Museum, and asked Mr. Reynolds to hold off their action on that until Mr. Hines had an opportunity to complete his Speedway project. He said to Mr. Reynolds, in substance, that the commission had been in Chicago about 30 days. We had considered that we could finish our work there in about 10 days. That we had completed arrangements for one hospital project in Chicago, the Cooper Monatah property; that the Field Museum property had been recommended by the regional director of the War Industries Board, by the State council of defense; that it was a property belonging to the public, it did not injure anyone, and was not like taking a hotel over the protest of the owners, whose good-will value was destroyed; that I was advised by Gen. Noble and Col. Northington and Mr. Schmidt that it was as good a hospital project as there was in the United States, and that if we could obtain it we were going to take it. And he said:

Mr. Trainer, I am not making any suggestions or requests of you. I think you are right. I do not know anything about the desirability of the Speedway as a hospital and I want you to understand that I am making no request of you. I am simply telling you as a friend. Mr. Hines is a director of this bank, as you know, and thinks that he has a right to make requests of me, and he said he further knows that your firm banks here, and that you are indebted to this bank, and no doubt he feels that he has the right to make this demand.

"Well," I said, "Mr. Reynolds, there is not a thing that I can do about it, and I am very sorry that Mr. Hines takes this attitude." I did not see Mr. Reynolds again until the 30th day of November. I left Chicago with the hospital commission on the evening of the 23d day of October, and I first stopped at St. Paul, Minn., and we were in and around St. Paul, I think, until about the 1st day of November, and on the morning of the 1st day of November we left on that early morning train to go to Mankato.

Mr. ADCOCK. What was the conversation that you had then on November 30?

Mr. TRAINER. On the 30th of November I was at home in Glencoe. In the morning I read the Chicago Tribune.

Mr. ADCOCK. The 30th of November?

Mr. TRAINER. Yes. There was an article in that paper——

Senator HARDWICK. Some newspaper article?

Mr. TRAINER. Yes.

Senator HARDWICK. What about reading this paper?

Mr. ADCOCK. You read the paper and you went to see Mr. Reynolds, then?

Mr. TRAINER. Yes.

Senator HARDWICK. Let us see what relation this Chicago Tribune had to the matter?

Mr. TRAINER. It was an article in the paper in which it was reported—a statement purporting to be given by Jacob Newman,

or Mr. Edward Hines, in which my name was mentioned as demanding a bribe or commission of \$100,000 in connection with the Speedway. I went to Mr. Reynolds's office with that the first thing in the morning, and I asked him if he had seen that article. He said that he had. He then said, in substance, "Mr. Trainer, I know the article is not true, and I will tell you why." And I said, "I wish you would." He said "I did not tell you all that Edward Hines said to me when he was in my office in the early part of October." I said, "You did not?" He said, "No; I did not." He said, "Mr. Hines said that there had been an intimation coming to him from you that if he would pay you a commission you would help his project through." He said, "Mr. Hines, in substance, further said that it would not be too late, and that if you got behind this project he was willing to make it worth your while, and if you did not, he was in a position to cause you a lot of trouble." "Well," I said, "Mr. Reynolds, why didn't you tell me that while I was here before?" He said, "Why?" "It would have given me an opportunity to protect myself, because you know Edward Hines in this community." He said, "Yes; I do."

Senator HARDWICK. Mr. Hines is a director of his bank?

Mr. TRAINER. Yes.

Mr. ADCOCK. He was then?

Mr. TRAINER. Yes.

Mr. ADCOCK. Do you know whether he is now?

Mr. TRAINER. I do not know. I have heard that he is not.

Mr. HINES. That is not true.

Mr. TRAINER. I have heard that you were not.

Senator HARDWICK. You do not know the fact?

Mr. TRAINER. No.

Mr. ADCOCK. Have you stated, Mr. Trainer, all connection you have had, directly or indirectly, with this Speedway project?

Mr. TRAINER. I think I have.

Senator HARDWICK. You might ask about this meeting in Gerstenberg's.

Mr. ADCOCK. Yes.

Did you have a talk with Mr. Hines at Gerstenberg's along about November 23?—I mean Mr. Shank?

Mr. TRAINER. Yes, sir.

Mr. ADCOCK. Will you just state what the conversation was?

Mr. TRAINER. Mr. McGurgen and I were dining one evening in Gerstenberg's restaurant. It was in the latter part of November, 1918. Mr. McGurgen and I were seated in the rear of the left-hand side of the restaurant and Mr. Shank came up to me at my table, came around to my side of the table and said, "Good evening." I returned the greeting to him and asked him how he was. He said he was all right. I asked him how he was getting along and he said "Not very good, I am all through, and I am going home to-night," as I recall it, or "to-morrow I am going home." And I said, "Well, Mr. Shank, what are you criticizing me for?" He said, "I am not criticizing you, Mr. Trainer." I said, "Your friends are." He said, "Well, I can not help that. I am not." He said, "I will see you out in Chicago." Well, I said, "I am going out to Chicago, and am expecting to go out pretty soon." He said, "I will see you there." I replied, "Very glad to see you." After that he left the table and walked back and sat down at the table with Mr. Hines.

Mr. ADCOCK. Do you remember whether Mr. Newman was present?

Mr. TRAINER. He was not while we were in the room.

Mr. ADCOCK. That is the only conversation that you ever had with Mr. Shank in Gerstenberg's?

Mr. TRAINER. It is.

Mr. ADCOCK. Did you ever talk with any Government officials, Secretary Crowell, Mr. Hare, or Mr. Holden, and state that you were opposed to the Speedway project that Mr. Hines was interested in being consummated with the Government?

Mr. TRAINER. I never did, nor to anyone else.

Mr. ADCOCK. Do you know whether or not any one connected with you ever did?

Mr. TRAINER. They did not to my knowledge.

Senator HARDWICK. Whom do you have reference to, Mr. Clark?

Mr. TRAINER. Yes.

Mr. ADCOCK. Did you have anything to do whatsoever with the valuation of the land of the Speedway Park?

Mr. TRAINER. Nothing more than to offer Maj. Holden a suggestion in response to his question as to what I thought it was worth.

Mr. ADCOCK. And this was after you returned to Washington on September 13, was it not?

Mr. TRAINER. Yes, after I had returned from the New York district. I was here a few days at that time.

Mr. ADCOCK. You never have demanded a commission or compensation in connection with any matters, any property that was ever sold to the Government?

Mr. TRAINER. I never have.

Mr. ADCOCK. Concerning which you had to do while you were acting for the Government?

Mr. TRAINER. Neither since I have been acting for the Government or prior.

Mr. ADCOCK. Since the period of the war?

Mr. TRAINER. Absolutely never.

Mr. ADCOCK. Did you state here the other day, yesterday, I believe, that you would be willing to submit your books and private papers and your bank account, and firm bank account, papers, and books?

Mr. TRAINER. Yes, sir.

Mr. ADCOCK. For examination to ascertain whether or not you had ever received any commission or compensation, either your firm, yourself, or Mr. Clark, in connection with any property that was ever sold to the Government?

Mr. TRAINER. I am not only willing that it be done, but I think it should be done.

Senator HARDWICK. Well, the charge is not made in respect to this specific matter that any money was paid, so of course your bank book would not show. In so far as I have heard to the present at least, such charge has not been made with reference to any other matter. We have no objection except that it is a whole lot of unnecessary trouble.

Mr. ADCOCK. You have lived in Chicago how long?

Mr. TRAINER. Since 1888.

Mr. ADCOCK. And that is since you have been in business?

Mr. TRAINER. Yes, sir.

Mr. ADCOCK. You have been in the real estate business since that time?

Mr. TRAINER. All the time.

Mr. ADCOCK. Have you ever heard any statement which would tend to reflect upon your good name and reputation for honesty and integrity before?

Mr. TRAINER. I have not.

Senator HARDWICK. Of course you would not prove that by a witness. You would hardly prove by a witness his good character or bad character.

Mr. ADCOCK. I think that is a fair question.

Senator BECKHAM. Has Mr. Trainer stated anything about the visit which he was said to have made in company with Mr. Clark to Mr. Shank, or Shank & Co.?

Mr. ADCOCK. Yes; he has testified to that.

Senator BECKMAN. You made just one visit?

Mr. TRAINER. Just one.

Mr. ADCOCK. Have you ever been in the office of Newman, Popenhusen, Stern & Johnston, on any other occasion than the two occasions that you have mentioned as June 25 and July 2?

Mr. TRAINER. I never have been.

Mr. ADCOCK. There was some question asked about the Grand Central Palace matter?

Senator HARDWICK. I do not think it is important. It was asked incidentally.

Mr. TRAINER. I would be very glad to have the committee know about it if you want to.

Senator HARDWICK. I think the question was one of curiosity. It has no material bearing on this question.

Mr. ADCOCK. Did I understand in connection with the City Hospital project which you had up prior to June, that there was no commission expected by you or contracted for by you?

Mr. TRAINER. No; it was understood by both Mr. Thorne and by the directors of the State University, and by Maj. Magnuson and Col. Billings and myself and the owner of the land that there were no commissions to be paid by anybody. Neither were the attorneys to receive any compensation for their work. Mr. Brundage, as I recall, and Mr. Levi Mayer agreed to do all the legal work without charge against the enterprise. That was apparently a voluntary work on my part. They asked me to take it up and I agreed to do so, and I worked along and was to complete it.

Mr. ADCOCK. And the work that you did in that connection was gratuitous as well as the other work that you did?

Mr. TRAINER. Yes; and lasted two months.

Mr. ADCOCK. I did not understand whether in the conversation of the 25th of June, 1918, whether Mr. Shank suggested that he would be willing to pay commissions if this property were sold to the Government.

Mr. TRAINER. Yes; Mr. Shank stated that, addressing himself to Mr. Popenhusen:

I asked you to have Mr. Trainer and Mr. Hodge meet with us, as I believe they can help me sell the Speedway property. I have tried to convince Mr. Hodge it would make a desirable storage plant, but he can not see it. I understand Mr. Trainer is going into the service and going to have something to do with hospitals, and I am willing to pay them a commission if they can help us sell the property.

Mr. ADCOCK. At the conversation in Mr. Shank's office, at which Mr. Foster, Mr. Shank and your partner, Mr. Clark, were present, was there any suggestion made that you wanted a commission or any words used, do you remember, from which that inference could be drawn?

Mr. TRAINER. Will you repeat that question?

(The question was read by the stenographer.)

Mr. TRAINER. Absolutely not.

Mr. ADCOCK. That was the only time you were ever at Mr. Shank's office?

Mr. TRAINER. Absolutely.

Senator BECKHAM. When was that, what date?

Mr. TRAINER. It was somewhere between the 5th and I should say the 9th day of June, 1918.

Mr. ADCOCK. You fix the conversation at Mr. Poppenhusen's office, as I understand it, as the 25th of June, as being the date on which you wrote the report on the Eastman Hotel project?

Mr. TRAINER. Yes.

Mr. ADCOCK. Did Mr. Clark say anything at the conversation in Mr. Clark's office?

Mr. TRAINER. Not at all.

Mr. ADCOCK. Did he at the conversation of June 25, when commissions were discussed?

Mr. TRAINER. He did not. It was stated that Mr. Clark was there just because I had met him there to keep another appointment.

Mr. ADCOCK. You did not demand any commission there?

Mr. TRAINER. I did not and declined to accept service from them, and they all well understood it, understand it and know it.

Mr. ADCOCK. And Mr. Clark was not present at the meeting of July 2?

Mr. TRAINER. He was not.

Senator BECKHAM. You state, then, that you were not in the office with Mr. Clark alone of Shank & Co. between June 25 and July 2?

Mr. TRAINER. No; I was not. I was never there but once and Mr. Clark was with me at the time. I went at the direction of Col. Billings.

Senator HARDWICK. That was early in June?

Mr. TRAINER. Immediately after the 5th of June, and before the convention convened on the 9th. On the following Tuesday, the first Tuesday of the convention, was the luncheon date with Gen. Noble and Gen. Gorgas and Mr. Armour, Gov. Lowden, Col. Billings, Thorne and myself, in which the location of the whole hospital subject matter as to the Cub Ball Park, or the Speedway location, or Columbus Park were thoroughly discussed and decided by them.

Mr. ADCOCK. You fix June 5 as being the date that you returned to Chicago from Washington?

Mr. TRAINER. Yes. I had been absent in Washington for some two weeks.

Senator HARDWICK. Let me ask you one or two questions. When you did go to Mr. Shank's office do you recall having said to Mr. Shank or Mr. Foster or both that you would like to see Mr. Hines?

Mr. TRAINER. I absolutely did not.



Senator HARDWICK. You did not say that?

Mr. TRAINER. Absolutely not. There was no suggestion in his manner or any subject matter discussed.

Senator HARDWICK. His name was not called?

Mr. TRAINER. Absolutely not discussed.

Senator HARDWICK. Now, Mr. Shank, at the conference with Mr. Newman in Poppenhusen's office, when Mr. Newman suggested that you were about to go in the service of the Government, and have something to do with the location of hospitals, and Mr. Shank suggested that they were willing to pay you a good commission, did you not feel that that was an improper proposal at the time?

Mr. TRAINER. I did not think they meant it as an improper proposal.

Senator HARDWICK. You thought it was, but they did not think it was.

Mr. TRAINER. Just as a matter of suggestion. I did not think that they intended to do anything wrong, and I did not so regard it. I merely said that it was not possible for me to accept service from them nor from any one, and a man that has spent 25 years as an agent, as a real estate agent, and he gets anywhere at all, certainly must learn and understand the relationship of agent and client and principal, and I well understood it, because I have represented many such agencies.

Senator HARDWICK. But you spoke in the rooms of a firm of attorneys in Chicago, lawyers, I suppose of some extensive practice.

Mr. TRAINER. I will say, Senator, I thought nothing of it at the time, because Mr. Hodge, whom I have known well and admired for years—

Senator HARDWICK. Who?

Mr. TRAINER. Mr. Samuel H. Hodge, who has been a close personal friend and he knew them well, and he spoke of them in intimate terms, and I thought nothing of it when I first went there. I supposed it had something to do with some of the leases or matters that I was there on, because he had explained to me about those matters when I was in Washington, and asked if he could call on us for help, and I said, "You can. You can call on Clark and Trainer's office for anything. We have told the Government that from the beginning." We have told them to do that, and I think if you will examine our books you will find a great deal of money charged to expense for all these reports and telegrams and no end of work, for which it was understood that we should send an item of expense for such money, but we never called on the department or sent a bill for that. We thought it was the duty of every business man to help all he could.

Senator HARDWICK. I can understand how the average unlettered layman, inexperienced in the ethics that must control the relation of principal and agent, and which you suggest is so well understood by real estate men and others who are acting as agents, would not have been affronted, coming into the office of very capable attorneys. But did it not strike you as just a little of an affront?

Mr. TRAINER. Mr. Newman immediately recognized the impropriety of Mr. Shank's statement, because he immediately said he was sorry the matter had been suggested.

Senator HARDWICK. He was in a position to relieve that phase of the situation, a man that does know about these things, and he has set the matter on a proper basis.

You are quite positive that you did not suggest to Shank and Foster that you wanted to have a conference with Mr. Hines about this matter?

Mr. TRAINER. Absolutely not. There could not have been a suggestion of that in my mind for it would not have been possible for Mr. Hines to have employed me. No matter how much money he has, he could not have employed me.

Senator HARDWICK. While you were representing the Government?

Mr. TRAINER. Absolutely not. I had lived there 30 years, and what I am is a result of my actions and operations there.

Mr. ADCOCK. Was there any occasion to see Mr. Hines?

Mr. TRAINER. Absolutely not.

Senator HARDWICK. What I am trying to get at is this: Whether it is possible that there was some misunderstanding, some failure to recollect details between yourself and these gentlemen or whether it is a square conflict we are facing. They testify, as I remember, that they came to you and said that Mr. Hines wanted you, and they wanted you to get in touch with Mr. Hines, certainly leaving the impression on their minds, as they swear, that they went so far as to arrange about commissions, through Mr. Reynolds the banker. Was Mr. Reynolds' name mentioned at the meeting?

Mr. TRAINER. Never except as one who was discussed as one of the contributors.

Senator HARDWICK. I mean in connection with this Speedway project?

Mr. TRAINER. Absolutely not. Never mentioned in connection with it at any time.

Senator HARDWICK. Did you suggest to them that whatever arrangements should be made should be done through Mr. Reynolds?

Mr. TRAINER. I never made any of that. It would not be possible for anybody to make any such arrangement with George M. Reynolds, and anybody that knows his reputation in Chicago would immediately recognize the uselessness of any such suggestion. I have been intimately associated with that man for 20 years and if we have any one clean, high-minded mortal in Chicago it is George M. Reynolds. He is not a rich man, but he is a decent, sound, honorable gentleman.

Mr. ADCOCK. May I suggest that up to date the evidence is merely this, so far as the conversation at Mr. Shank's office is concerned, that Mr. Shank testified here that he could not remember any words that were used?

Senator BECKMAN. That was this morning's testimony?

Mr. ADCOCK. No; some time ago.

Mr. BENNET. Is this summing up?

Mr. ADCOCK. No; I am trying to recall anything from which he could infer that commissions were demanded, or any sum demanded. He has testified that he mentioned a sum of money in conversation with Mr. Hines in his office—Shank's office. Mr. Foster testified before Maj. Stotesbury that he merely inferred or surmised. I read the statement of Mr. Foster before Maj. Stotesbury that he surmised that these men wanted a commission, and then he reported to Mr. Hines his impression of the conversation along with his thought or belief as to why he came to surmise.

Senator HARDWICK. Even so, the fact still remains that these gentlemen both wanted to get in touch with Mr. Hines about the Speedway project, and that both men—that he wanted, according to their

statement, some sort of an arrangement made through the agency of Mr. Reynolds.

Mr. ADCOCK. I do not think that is stated.

Senator TRAMMELL. They did not state that this morning.

Senator HARDWICK. I am speaking of their original statement.

Mr. BENNET. That is in the Stotesbury examination on the second day of Mr. Foster's examination.

Senator HARDWICK. They testified that when they were originally on the stand.

Mr. ADCOCK. The Stotesbury testimony is——

Senator HARDWICK (interposing). I am trying to see whether it is possible that there is some misunderstanding between these men or whether they are testifying to a square conflict.

Mr. ADCOCK. The first time that there was any amount mentioned in his testimony was by Mr. Hines himself. That was mentioned by Mr. Newman, according to their testimony; but Mr. Foster and Mr. Shank had testified that in the conversation with Mr. Hines there never was any sum of money mentioned; that it all originated in the mind of Mr. Hines as \$100,000.

Mr. BENNET. That part of counsel's statement as to where it originated is incorrect. The rest of the statement is correct, that both of these gentlemen testified on the stand that they did not recall ever having mentioned any sum of \$100,000 or any specific amount, but they did state the whole matter to Mr. Hines when the recollection was fresh and that \$100,000 was mentioned by Mr. Hines to Newman and Mr. Newman to Trainer.

Senator BECKHAM. Where did we first get the testimony of the \$100,000?

Mr. BENNET. From Mr. Newman.

Senator BECKHAM. Where did he get it?

Mr. BENNET. Mr. Hines; and his testimony was that some time between the 26th of June and the meeting of July 2 he was asked if he was requesting \$100,000, and he said yes.

Senator BECKHAM. Mr. Newman testified, and, as I recall it, Mr. Shank and Mr. Foster testified that no sum, no definite sum, was ever mentioned.

Mr. BENNET. They have no recollection of mentioning any sum whatever.

Senator HARDWICK. There is no need of summing up. I am responsible for it. I am keeping it straight in my own mind. I was a little mixed whether there were these necessary conflicts.

Mr. BENNET. There is no escaping the conclusion that it is a direct conflict of testimony between the parties.

Senator HARDWICK. It looks that way.

Mr. ADCOCK. I think in the course of argument I will be able to show the whole plan and the evidence as far as the complainant in this case is concerned.

Senator BECKHAM. Suppose we proceed with the examination.

Mr. BENNET. I would suggest that it is 10 minutes to 5, and if I had a reasonable opportunity to arrange my documents I probably could save about a half hour's examination.

Senator HARDWICK. To-morrow morning we have agreed to hear the Secretary of War at 11 o'clock. Still we will meet at 10.30 o'clock.

(Thereupon at 4.50 o'clock p. m. the subcommittee adjourned until to-morrow, Thursday, February 6, 1919, at 10.30 o'clock a. m.)

## MILITARY HOSPITALS.

THURSDAY, FEBRUARY 6, 1919.

UNITED STATES SENATE,  
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS,  
*Washington, D. C.*

The subcommittee met pursuant to adjournment, at 10.30 o'clock a. m.

Present: Senators Hardwick (chairman), Trammell, Beckham, and France.

Senator HARDWICK. The committee will be in order. We will proceed now.

Mr. BENNET. Mr. Chairman, before the examination is resumed, I would like to call the attention of the chairman of the committee and of the committee to certain statements that are being made in Chicago newspapers about our witnesses. It is a question whether the witnesses who appear before this committee ought not to be protected.

Senator HARDWICK. What paper is this clipping taken from?

Mr. BENNET. The Chicago Tribune. Mr. Richard E. Smith has not disappeared. Everyone knows that he is a very well-known architect in Chicago, and Mr. Adcock yesterday was in communication with him.

Mr. ADCOCK. Oh, I have not been in communication with him.

Mr. BENNET. I understood so.

Senator HARDWICK. I think probably I am responsible for that statement. I said that the chairman of the committee had telegraphed Mr. Smith, stating, in substance, that his presence for further cross-examination was desired by the attorney for Mr. Trainer, and suggesting that if he were needed for that purpose the committee would arrange to let him come on next Monday. I think that is correct, is it not?

Mr. ADCOCK. Yes.

Mr. BENNET. I think in justice to both Mr. Smith and Mr. Erskine that the statement should be made on the record that neither of them has disappeared.

Senator HARDWICK. Of course they have not. The newspaper men are responsible to their employers and to the public for the way in which they handle the news, and we can hardly undertake to discipline or control them, but it is just as well for us all to be as fair and good-tempered about this as we can. The chairman probably is responsible for whatever trouble there is about the matter. When the statement was made that his presence was desired for further cross-examination by Mr. Adcock, the chairman suggested to the committee and to counsel that unless there was some unusual or peculiar reason he did not feel disposed to send for this man to

come back from his business at Government expense, for another and further cross-examination, because he has been here and there have been ample opportunities given to examine him, and if that practice were continued there never would be an end of inconvenience to witnesses or expense to the Government. Mr. Smith has not disappeared at all. He is holding himself subject to the call of the committee.

Mr. ADCOCK. I do not want to suggest at all that Mr. Smith left—

Mr. BENNET. He thought he was through.

Senator HARDWICK. I am not sure but that I told him you were through, Mr. Adcock.

Mr. ADCOCK. I think I did state after the examination, at the time that Mr. Hines was testifying, that I would like to ask him a few questions.

Senator HARDWICK. If you did, the chair is probably to blame, because I think Mr. Smith came to me and asked me whether we would need him further, and I told him I thought we would not. He has not disappeared.

Mr. ADCOCK. No.

Senator HARDWICK. Nor has he intended to evade the process of the committee, and if counsel can make it appear later that there is some real good reason why he ought to be called back, we will call him back, but I wired him yesterday that as far as we knew his examination had been completed, unless he was further advised to the contrary by the committee.

Mr. BENNET. Of course, the same statement applies to Mr. Erskine.

Mr. ADCOCK. So far as Mr. Erskine is concerned, as I understand it, he was to produce some correspondence and papers.

Mr. BENNET. That is the only thing that he was asked to produce.

Senator HARDWICK. He is out of the city now?

Mr. BENNET. Yes.

Mr. ADCOCK. No responsibility should be attached to me for that statement.

Senator HARDWICK. Oh, no. There is no reason to have any sensations about this thing. No one has disappeared. We will get them all back here, if we want them.

Mr. BENNET. There is just one other thing that I desire to call to the attention of the committee. I think the committee expressly desires to have Col. Starrett here.

Senator HARDWICK. I think so; yes.

Mr. BENNET. We have made some inquiries and find that he is in Denver, and we do not know whether the War Department has asked him to come back or not. We merely lay that fact before the committee.

Mr. ADCOCK. I think the statement was made that Col. Starrett was on his way here.

Senator HARDWICK. I think so.

Mr. ADCOCK. I would like very much to have him here.

Senator HARDWICK. We understand that counsel on both sides would like to have Col. Starrett here if possible, and we will examine him before the hearing concludes. I shall find out before the hearing is over whether he is available. I understood from somebody that he would be back.

You may proceed now, Mr. Adcock.

## TESTIMONY OF J. MILTON TRAINER—resumed.

Mr. ADCOCK. I just want to ask one or two questions, Mr. Trainer. At the time that you were considering the museum project, you understood that the Fort Sheridan hospital project had only been approved for 2,500 beds?

Mr. TRAINER. Yes; up to the time that the list on the Field museum was concluded, the commission had been advised that 2,500 beds had been authorized at Fort Sheridan.

Mr. ADCOCK. That was the understanding of the commission and of yourself as a member of the commission?

Mr. TRAINER. Yes.

Mr. ADCOCK. And you never had been retained to sell this property by the owners of the Speedway—that is, your firm?

Mr. TRAINER. Never had.

Mr. ADCOCK. And if Mr. Clark made that statement to Gen. Stotesbury, he was in error?

Mr. TRAINER. He was.

Senator HARDWICK. You do not know what arrangements Mr. Clark has had, do you?

Mr. TRAINER. No.

Mr. ADCOCK. I mean, so far as you know.

Mr. TRAINER. So far as I know I had no knowledge that we had it for sale.

Senator HARDWICK. If the firm of Clark & Trainer ever had this property listed on its books, you do not know it and had no knowledge of it?

Mr. TRAINER. No.

Senator HARDWICK. That is all that you can testify to, and all that is material that concerns your examination?

Mr. TRAINER. Yes.

Senator HARDWICK. Mr. Bennet, you may proceed with the witness.

Mr. BENNET. Mr. Trainer, you have either read or heard all of the testimony that has been produced here so far as it relates to your alleged connection with the matter?

Mr. TRAINER. I think I have.

Mr. BENNET. Mr. George S. Shank and Frank H. Foster have testified on both direct and cross examination and on recross and redirect examination that you were in their office with Mr. Clark on a date which they fixed in the latter part of June or the first part of July, 1918. Are they mistaken in that statement?

Mr. TRAINER. They are.

Mr. ADCOCK. I would state this. I think that question assumes that they say that. There is some question in my mind about it. I think it might be stated—if they state so-and-so.

Mr. BENNET. I will put it in that way.

Senator HARDWICK. We will not prejudice that matter in our minds.

Mr. BENNET. You understand that I am not asking you to indorse anything as a statement of fact. I take the responsibility for the statements of fact in my questions. If they have so testified, they were mistaken?

Mr. TRAINER. They are, as to my being in their office at any time after the first visit that I had there in the early days of June.

Mr. BENNET. And as I recall your examination, you fix the date that you were at their office at some time between the 5th and the 9th of June, 1918?

Mr. TRAINER. I would say between the 5th and the first Tuesday when the medical convention met, which, I think, was on the 11th, the day of the luncheon with Gen. Gorgas, Gov. Lowden, and Mr. Armour.

Mr. BENNET. Between the 5th and the 11th?

Mr. TRAINER. Yes.

Mr. BENNET. You were there at no other time?

Mr. TRAINER. I was not.

Mr. BENNET. In company with Mr. Clark?

Mr. TRAINER. I was not, or otherwise.

Mr. BENNET. They state that the conversation at that time took place in a portion of their office which would rather fix it in their memory. That is, that you all went around behind the cashier's cage, and the conversation took place. Are they mistaken in that?

Mr. TRAINER. As I recall the hall or the corridor that extends into their office, on the left of that corridor there is a sort of open space or room that you pass through, a gate of some kind, and it was in back of that gate in a room, I should say, 10 or 15 feet long and perhaps 8 or 10 feet wide. It did not appear as a cashier's office. They may style it that.

Mr. BENNET. You never had any conversation, together with Mr. Clark, with Mr. Shank, and Mr. Foster in what appeared to you to be a cashier's cage?

Mr. TRAINER. No, we did not.

Mr. BENNET. And if they said, both of them, that at that conversation that you and Mr. Clark had with them, you asked them to make an arrangement by which you could see Mr. Edward Hines, they are mistaken in that also?

Mr. TRAINER. Yes, they are. Mr. Edward Hines's name was not mentioned or discussed in my presence at the time I was there at their office with Mr. Clark.

Mr. BENNET. As I understood your testimony, and I think you were explicit about it, you stated that you were never in the office of Newman, Poppenhusen, Johnson, and Sterner, if that is the name, except on the 25th of June and the 2d of July, 1918.

Mr. TRAINER. Yes. The first occasion was on the 25th of June and the next on July 2. They are the only times that I have ever been in that office.

Mr. BENNET. But I am not clear as to whether you said that on the 2d of July Mr. Clark was there with you or not.

Mr. TRAINER. He was not.

Mr. BENNET. So you and Mr. Clark were never there together but once?

Mr. TRAINER. We were not.

Mr. BENNET. And that was the 25th of June?

Mr. TRAINER. When Mr. Hodge and I went to Mr. Poppenhusen's office in response to his call.

Mr. BENNET. And that was the 25th of June?

Mr. TRAINER. Yes.

Senator HARDWICK. Mr. Bennet, I see that Secretary Baker has just entered the room, and we will ask you to suspend the examination of Mr. Trainer in order that we may hear the Secretary.

Mr. BENNET. Very well.

## STATEMENT OF NEWTON D. BAKER, SECRETARY OF WAR.

Senator HARDWICK. Mr. Secretary, will you relate to the committee, so far as you have personal knowledge, what you know about the so-called Speedway project?

Secretary BAKER. Certainly. Shall I begin at the beginning?

Senator HARDWICK. Yes.

Secretary BAKER. I am sorry that I have not the dates in my mind.

Senator HARDWICK. We have them pretty well identified in the record.

Secretary BAKER. I can approximate them. Sometime in August, I think it was, Mr. Erskine, who has doubtless been identified in the record, was brought to my office by Mr. Creel, the Director of Public Information. Mr. Creel told me that Mr. Erskine was an acquaintance of his, that he had a matter which he wanted to submit to me about which Mr. Creel knew nothing, and professed to know nothing, but which Mr. Erskine would explain. Mr. Erskine then told me that he was from Chicago. I had never seen him before. He had a bundle of papers with him and said that he had discovered a man whose name he did not at that time disclose, who was very anxious to do a handsome thing for the Army, chiefly moved by the fact that he had lost a son in the service and was, therefore, anxious to build a memorial to his son; that he was willing to put \$1,000,000 into an Army hospital for sick and wounded soldiers, which he was proposing to build and present to the Army. Then he offered to show me some maps and drawings. I do not remember what they were; I did not look at them at the time, as I recall it.

I explained to him that I was leaving either that day or the next day to go to Europe, that I would have no opportunity to go into a project of that sort personally, but that Dr. Keppel, the Third Assistant Secretary of War, was the man on whom I relied primarily in such matters, and I would send for Dr. Keppel. So, while Mr. Creel and Mr. Erskine were there, I sent for Dr. Keppel. He came into my office. I explained to him what Mr. Erskine had said to me, repeating it substantially as I have given it to you. I told Dr. Keppel that I knew nothing of the project beyond what had been said, but that I would be very glad if he would take Mr. Erskine and get any further and more intimate knowledge of the fact that he could and report it to the Surgeon General's office and allow it to be studied there, and push the matter if it turned out to be a feasible project.

I heard no more of it until I got back from Europe. I went to Europe late in August, as I recall it, within a day or two after that interview. I came back, it must have been in the second week of October. I left France on the 6th of October. Shortly after I returned I had presented to me from some source in the department the knowledge of the fact that the so-called Speedway hospital had been considered and disapproved by Mr. Crowell in my absence. Some time after that, I can not remember how early, Mr. Hines came to see me.

Senator HARDWICK. Mr. Edward Hines, of Chicago?

Secretary BAKER. Yes. So far as I can recall, I had never before seen him.

Senator HARDWICK. Who was with him?



Secretary BAKER. I do not recall that. Mr. Hines told me that this project had been disapproved by Mr. Crowell, but that it had had various approvals in the Surgeon General's office and that various persons down there had cooperated with him in the perfecting of his plan; that he was quite sure the hospital ought to be accepted by the Government, and he told me what he believed the advantages of it would be; that it was fireproof; that the proposed project at Fort Sheridan, which he criticised, was not fireproof; that in his judgment the soldiers ought to have better facilities, which he said the Speedway project would afford. I can not remember whether that was all said at the first interview with Mr. Hines. He has seen me, I should say, four or five different times. He came to see me twice with Father Callahan—is not that the name, Mr. Hines?

Mr. HINES. O'Callahan.

Secretary BAKER. O'Callahan—a very gracious, talented, and impressive clergyman. They argued with me at great length about the advantages of the Speedway hospital, urging as its principal advantage the proximity of the hospital to Chicago itself, so that people who had sick and wounded friends among the soldiers in the hospital could visit them easily and at small expense. That was one argument, and another was the fireproof character of the building. I had learned incidentally, but I do not know how, that a Mr. Shank was associated in some way in the enterprise as a contractor, and that some start had been made and some progress made in carrying forward the building enterprise. I can not remember that I personally ever saw the plans, but I learned from the Chief of Staff that the whole question had been very carefully studied in committees of the General Staff.

I would not like to be too positive, but my present recollection is that Gen. March told me that the project had not been recommended by the General Staff at any time, but that a committee of the General Staff had been opposed to it. However that may be, my unrefreshed recollection is that immediately after the signing of the armistice orders were given to the Surgeon General's office to decrease the projected hospital facilities of the country and limit them to the amount necessary for what were then known to be the prospective casualties in the Army. I did not give that order. I knew of it at the time it was given and it had my approval.

Senator HARDWICK. We have something in the record that is suggested to my mind. As early as October 26, did not the War Department have substantial knowledge that the war was practically on its last legs?

Secretary BAKER. I would say so, Senator.

Senator HARDWICK. You thought so, did you not?

Secretary BAKER. I hoped so, but I did not think so.

Senator HARDWICK. You did not think so at that time.

Secretary BAKER. I can not say that I thought so. I knew—I personally believed—that the ultimate victory of the allied cause was completely assured, but no one could say how long it would last.

Senator HARDWICK. That was a couple of weeks before the armistice?

Secretary BAKER. Yes, I think so; but it was some time after the German Government had made its first approaches to the President.

Senator HARDWICK. The very terms of that proposal suggested to any thoughtful man that the end was in sight?

Secretary BAKER. Yes; it was a reasonable inference; and yet so far as I am personally concerned, and I can speak, of course, only for myself, while I believed the ultimate triumph of our cause was perfectly assured, I did not believe until the actual signing of the armistice that there was anything in the situation which would justify my taking any action.

Senator HARDWICK. No; we had to keep things going.

Secretary BAKER. Senator, until the final word came over from France that the armistice was signed, I did not stop a single activity. I sent men and I got arms and I did everything that I could, just as though the war was going on indefinitely.

Senator HARDWICK. Still, is it not a fact that from the time that the German note which finally resulted in the armistice came, most thoughtful people in this country believed not only that the end was near but that it was pretty nearly in sight?

Secretary BAKER. I can not speak for most thoughtful people. Undoubtedly many thoughtful people thought so; but so far as I am concerned on that, I did have great hope that the end was in sight.

Senator HARDWICK. Yes; that is all.

Secretary BAKER. Orders were issued to the Medical Department. We had many hospitals, and some large hospital projects projected, and orders were issued to limit those to the reasonable amount necessary to provide for what we could foresee.

Curiously enough, the first specific project in which the matter of limitation came to me was in regard to the State of Ohio, which happens to be the State from which I come. In the city of Cleveland, my home city, in the city of Columbus, and in the city of Cincinnati, three large hospital projects had been decided upon. The revised specifications of the Surgeon General's office ordered the discontinuance of all three, and I personally made that approval. While that was being considered, Mr. Hines and Father Shannon came to see me again and again, urging earnestly the advantages of the Speedway project, and in order to have the matter definitely determined, and as securely determined as possible, I directed at once the appointment of a committee to go to Chicago and settle the thing on the ground.

Senator HARDWICK. That is the Speedway project?

Secretary BAKER. The whole project of hospital facilities.

Senator HARDWICK. Let me refresh your mind just a moment. That commission, by the terms of the order creating it, was limited to acquiring by purchase or by lease existing buildings or hospital facilities.

Secretary BAKER. I do not know what you are dealing with now.

Mr. BENNET. That is this Richard E. Schmidt commission. The Secretary is referring to the Chamberlain commission.

Secretary BAKER. I am referring to the Chamberlain commission, and on that was—now, I have lost my connection. If you will let me break off a moment there and go back to an earlier incident that ought to be repeated, I would like to do so.

Senator HARDWICK. Yes.

Secretary BAKER. Mr. Hines came to me about this hospital project. I do not remember who was with him at the time. I remember the time. The time is pretty easy to fix. He told me about some of his experience in getting the hospital project forward, and finally said he felt it his duty to tell me of an incident which had happened in connection with it, and thereupon he told me that a Mr. Trainer had solicited a bribe from him. My recollection is that he told me that this bribe had been solicited through his attorney; that Mr. Trainer first, and later one of Mr. Trainer's associates, had approached his attorney with the statement that if \$100,000 could be gotten for Mr. Trainer the hospital project would get off the rocks.

I told Mr. Hines that the question of his hospital was, of course, a question of whether we needed facilities, but the question of whether anybody representing the Government in any relationship was soliciting a bribe was a matter which instantly and immediately interested me deeply, and I asked him whether he would come to see me the next morning. As I recall it, that conversation was in the afternoon. He said he would, and he came the next morning, and when he came I had Inspector General Chamberlain present.

I repeated to Gen. Chamberlain in Mr. Hines's presence exactly what Mr. Hines had said to me, and I said to Gen. Chamberlain that I wanted him to send to Chicago his most reliable inspector and have a thorough inquiry made into that whole situation.

Gen. Chamberlain sent Maj. Stotesbury, as I recall it, to Chicago, and when the report came back Maj. Stotesbury said in the report, which Gen. Chamberlain approved officially, that there was evidence that some such solicitation as that had been made, and I directed that that portion of the report be at once transmitted to the Attorney General for such action as the Department of Justice might take.

Senator HARDWICK. And that action was taken?

Secretary BAKER. Yes: that was all sent to the Attorney General. The War Department, of course, has no means of following that up beyond getting all the evidence it can and sending it to the Department of Justice.

Now we will come back to the later incident.

Senator HARDWICK. Yes; all right.

Secretary BAKER. The appointment of the so-called Chamberlain committee grew out of a later visit than that. That was after Maj. Stotesbury had made his report to the Attorney General's Department thereafter, inviting them to take up that phase of it.

When Mr. Hines and Father Shannon made that visit to which I am now referring, I sent for Gen. Chamberlain and Gen. Ireland, the Surgeon General, Gen. Ansell, the Acting Judge Advocate General, assembled them in my room and told them I wanted a committee representing the Inspector General's Department, the Medical Department, and the legal department to go to Chicago, and on the ground to inspect the Fort Sheridan project, the Speedway project, the Field Museum project—all these propositions—and I wanted them to make a report which would as positively as possible set at rest all the questions in issue. Those questions I told them verbally were, first the question of adequate and safe hospital facilities in Chicago for such soldiers as would be there. Gen. Ansell said that he could not personally go, for some engagement that he had, but he said he would send an officer, and he had brought with him a younger

officer in the Judge Advocate General's Corps whose name escapes me now.

Mr. BENNET. Maj. Stroh?

Secretary BAKER. Maj. Stroh; that is exactly right. The date of this interview can be easily discovered, because it was the day before Gen. Chamberlain's committee went to Chicago.

Senator HARDWICK. That is the matter I referred to.

Secretary BAKER. So that it was either the same day or the day before they went, because I told them I wanted them to go at once.

Later in the same day Mr. Crowell spoke to me about it and stated he understood I had appointed a committee to go to Chicago and inspect this situation and that he strongly recommended that there be put on it an officer from the construction department, since one of the questions which would have to be settled would be the speed at which, or the time within which, the Speedway project, if that was to be considered, could be completed. I told him I thought that was a very wise thing and asked him to direct Gen. Marshall to go, or if he could not go, to send an officer. I do not remember whether Gen. Marshall went in person or sent somebody, but the report which came back was a report signed by the representatives of these four departments. The report speaks of it in general terms. It says that so far as temporary facilities were concerned, the Speedway project was not advisable, but if the Government wanted to embark on the policy of building permanent military hospitals they were of the opinion that the Speedway project would make a good permanent military hospital.

I then sent that part of their report to the Surgeon General, saying that if he wanted to recommend to Congress the policy of permanent military hospitals and deemed this an appropriate place to make a start and would make estimates for the purchase of this property, I would be very glad to approve it and send it down, and later I received word from the Chief of Staff that Gen. Ireland did not feel that he could approve that point of view.

So far as I remember it and so far as my memory holds it, that is my entire contact with that thing. I have seen some people about it; some ladies came to me about it who were very much concerned about the fire hazard at Fort Sheridan. I was leaving my office as they came in and turned them over to Mr. Keppel, and I was later told by him that he had gone over the whole matter with them and taken them to the Surgeon General, and a letter was written assuring them that for the present the number of sick and wounded would not be sufficiently large so that any men would be in a part of the hospital that would be considered dangerous.

Other people have seen me about it, but I recall no other official relationship that I have had with it or personal relationship.

Senator HARDWICK. Does any other member of the committee desire to ask questions?

Senator FRANCE. I do desire to ask one question, after the other members are through.

Senator HARDWICK. There is no particular order. You might as well begin.

Senator FRANCE. My question is a general question, and there may be some details you would desire to ask about before I ask my question.

Senator HARDWICK. I had one or two general questions.

Senator FRANCE. Please proceed, Mr. Chairman.

Senator HARDWICK. Mr. Secretary, this committee is only investigating the Speedway project as incident to this general situation, which is on the general hospital situation. The committee has been—I have been, at least, as a member of it—very much impressed with this sort of a view, that, acting with perfect propriety and with proper regard for the interests of the country, the War Department was making provision, at the time this war ended, for what it anticipated would be the number of wounded soldiers that it might be required to handle, probably, and of course not being able to tell that the war would end as suddenly as it did, they made, very wisely, advance preparations to meet the emergencies that they thought were coming on, and in that way got what appears now, from the evidence we have before us, to have been quite a large number of excess hospital accommodations over what the Army will require with the present reasonable expectations. It appears also from this investigation and evidence that there are certain other branches of the Government service, the Public Health Service, for instance, and the War Risk Insurance Bureau, that have not got as much hospital facilities as they need. They are asking for thousands of beds more, and they have already recommended the passage, and the passage has occurred in the House of Representatives, of bills appropriating something like 11,500,000 for that purpose.

This committee has been instructed by the Senate to inquire generally into that question, and personally I have been impressed with the view that if we had these hospital facilities that belong to the Army, bought or constructed out of the funds appropriated for the Army, and we had access to those hospitals in that branch of the service, it would be very much better, from the standpoint of the taxpayer, to turn over these hospitals, or some of them, or as many of them as we can, to this other branch of the service or these other branches of the service that need them rather than to pass all these bills buying them more hospitals. What do you think of it? Can you give us anything additional as to that?

Secretary BAKER. I have not had any study made personally, Senator, as to the adequacy of the hospitals under the control of the War Department to meet the needs, but the Surgeon General recommended to me some days ago that in view of the fact that the Bureau of War Risk Insurance is under the obligation of extending free hospital facilities to those entitled to it under this act and that they had no facilities for doing it——

Senator HARDWICK. That is it.

Secretary BAKER (continuing). It would be wise for the War Department to offer to the Treasury Department the hospitals under its control. The Surgeon General's judgment was that there were enough hospitals of the War Department to supply the need, and I therefore wrote to the Secretary of the Treasury in regard to the hospital facilities, and stated to him that they were placed at his disposal. I have not had a reply from the Secretary of the Treasury yet. That was only a few days ago.

Senator HARDWICK. We must solve this question in the near future. It has got to be solved in the next two or three weeks, has it not?

Secretary BAKER. Yes.

Senator HARDWICK. The rejoinder is made to that by the other people that your hospitals under military control are not exactly what they want; that military discipline in the hospital is not acceptable, or at any rate not attractive to these soldiers, or retired soldiers, after they return, and that what they need, if anything, is a transfer of the hospitals themselves to the department so that they can be managed by them, rather than admitting their patients to your hospitals. Now, I do not care much about the departmental red tape, in view of that proposition, but what objection is there to doing that, if they prefer that?

Secretary BAKER. I do not think there could be any objection to it.

Senator HARDWICK. I mean on the part of your department.

Secretary BAKER. Oh, none.

Senator HARDWICK. If you have the hospital space, you would just as soon let us pass the legislation letting them take it over, would you not?

Secretary BAKER. Yes; I think, however, I would prefer that it be safeguarded, leaving it to the Secretary of War as to whether to take over the particular hospital. I think it might disorganize the system of military hospitals if you turned over certain institutions before we were through with them for military purposes. But so far as the management of the hospitals is concerned I am perfectly content to have them control them.

Senator HARDWICK. Whatever you get through with, you would just as soon let them have it and manage it?

Secretary BAKER. Yes.

Senator HARDWICK. Does it not strike you that that would be a wise business policy?

Secretary BAKER. I do not like to comment on their need.

Senator HARDWICK. I asked you that in view of the fact that otherwise we will have to supply the millions out of the Treasury to supply their need.

Secretary BAKER. If they have a need and we have a surplus which can be separated without inconveniencing the department in the performance of the duty that we have.

Senator HARDWICK. Thank you very much. Those are the general questions that I wanted to ask you. Of course we will get the details from these officers.

Senator FRANCE. Now, Mr. Secretary, the Chairman has stated very clearly that this investigation of the Chicago hospital question was merely an incident in the general investigation. Still, it is quite an important incident.

You stated a short time ago that it was charged that a bribe had been asked in connection with the Speedway project. That, of course, gives this particular investigation some most unusual importance.

I wish to make a general statement and ask you a question. We realize on this committee that you were a very busy man, with multitudinous details to look after, with vast problems to consider, both here and abroad, and that it was impossible for you to consider details of the question of hospital facilities, and the testimony showed quite conclusively that that was the fact, and that you relied upon the

Assistant Secretary, Mr. Crowell, for recommendations with reference to hospital facilities, which was perfectly proper.

The committee also recognizes that the Assistant Secretary of War, Mr. Crowell, was in your same position; that it would be impossible for him, situated as he was, to look into the details in connection with hospital facilities, and the details which would enable him to pass upon the advisability of any particular hospital project.

We realized that he must rely upon someone for those details. His testimony shows that that was the fact. The inquiry showed that he must either rely upon his own judgment after a complete investigation of all details; that he must rely upon the ordinary agencies of the Government—the construction division, the Surgeon General's department, and so on, or that he must rely upon some other agency.

The testimony very clearly shows that the Assistant Secretary of War did not rely upon the construction division, did not rely upon the Surgeon General's office, did not rely upon the division of operations, and that he very properly—and we do not criticize him at all for this—relied upon his organization, or upon the one immediately in charge, Mr. Hare.

Mr. Hare was on the stand and I asked him this question, because he had many details to look after and many problems to solve, "Did you, in passing upon the question of hospital sites, make a detailed investigation for yourself of all the facts, which would enable you independently to form a judgment, or did you rely upon certain agencies for the ascertainment of these facts?" His testimony was very clear to the effect that he had to rely upon certain agencies. We understood that. We do not criticize Mr. Hare in the least for that.

But what does the testimony further show? It shows that Mr. Hare, relying upon certain agencies, did not accept their findings. He said that he had to rely upon the construction division and upon the various other agencies. He says here, "I relied upon all these various agencies of the Government, and when I got all their facts before me, I then took the matter up and decided."

Now, the further testimony, which I shall not read, shows conclusively that he was relying upon various agencies; and yet he did not accept their findings. He did not accept the findings of the construction division, he did not accept the findings of the Surgeon General's office, he did not accept the findings—I am, of course, making a general statement and it is subject to some modifications—he did not rely upon the findings of the Division of Operations and of the Priority Board, so far as that board was involved. Not relying upon them, he sent a special officer, Col. Starrett, out to make a personal investigation for him.

Col. Starrett recommended this project. He did not rely upon Col. Starrett's findings.

Now, then, the situation as I see it, has resolved itself into this, that the man who decided against this project decided not on facts which he ascertained himself, but decided, as he says, upon the findings of the various governmental agencies, all of which were contrary to his decision, and the judgment of all of which was contrary to his judgment.

In a general way, that is the situation. Now, we want to know if there is any explanation for that general situation. In other words, the testimony here, I think, clearly shows that the ordinary opera-

tion of the governmental machinery in this case was not carried through.

Mr. BOUVIER. May I interpolate a word, sir.

Senator FRANCE. I do not know that I have made myself clear.

Secretary BAKER. Oh, perfectly clear.

Senator FRANCE. The thing that concerns this committee is why the man who decided on this matter decided contrary to the agencies upon which he relied.

We ask that question without the slightest reflection upon Mr. Hare. We have perfect confidence in his integrity. There is no reflection upon him, but we can not understand the situation, in view of all the evidence which we have had here.

Secretary BAKER. Let me make a statement first in regard to an earlier part of your statement. You said that I was a busy man. Of course I was, and I had a very great many things to do. That I relied wholly upon Mr. Crowell in this matter in a general sense is true, but I think it is important to add this—

Senator FRANCE. Mr. Secretary, I know you realize that I am speaking in a general way.

Secretary BAKER. Oh, perfectly, Senator, and I think I ought to add this additional item of information. Every time any one called upon me about the Speedway project, and there were many persons who called; I think every member of the Chicago delegation in Congress called on me; perhaps they all came together at one time, and Senator Lewis has spoken to me about it once or twice; every time anybody came to see me about it I took it up with the Chief of Staff, and I found it had been studied by the Staff committee over and over and over again, and every time the Chief of Staff came to me about it, when I would ask him if this, that, and the other had been brought to his attention I found out that the Staff committee had taken it up and studied it, so that it was studied by the Chief of Staff and Gen. Jervy and their officers under him. I do not know what officers presented it, but that study was made.

Senator FRANCE. It would clear up the situation greatly if you would say that you relied upon the General Staff and its adverse findings, and that you relied upon it and decided adversely to the project.

Secretary BAKER. I have no desire to clear up the situation. My only desire is to state what happened.

Senator FRANCE. If that is a fact?

Secretary BAKER. No, of course not.

Senator FRANCE. I say, if that was the fact.

Secretary BAKER. That is not the fact.

Senator HARDWICK. I would be very glad if you would verify your recollection about that. My own recollection is that the General Staff did not report against this proposition.

Secretary BAKER. I can not tell you what the General Staff did; I am only stating what the Chief of Staff told me, that it had been studied repeatedly, and they had disapproved it. Gen. March can come down and verify that, and certainly he told me repeatedly that the General Staff had turned down the project.

Senator FRANCE. Of course we are only generalizing.



Secretary BAKER. You have recited a lot of matters of which I know nothing. I have known Mr. Crowell for a number of years. I have known Mr. Hare only since he has been in the War Department. I do not know of any two men who have my confidence more thoroughly than these two men have. It would not be possible for anybody to come to a judgment, and in that judgment follow all the recommendations that are made, unless they are all the same.

Senator FRANCE. That is true.

Secretary BAKER. If Mr. Hare, in going over this project and checking all the evidence, departed from the recommendation which some people may make, it is perfectly obvious that that is the object of judgment.

Senator FRANCE. We do not find that he did so.

Secretary BAKER. I can not explain the operation of Mr. Hare's mind. I have perfect confidence in Mr. Hare's integrity.

Senator FRANCE. That is the very point. In view of the unusual circumstances, that is the very point.

Senator HARDWICK. May I interrupt you a moment, right there?

Senator FRANCE. Certainly.

Senator HARDWICK. Is there not a provision of statute law against bureau chiefs and department officials receiving one salary from the Government and another from private interests?

Secretary BAKER. I do not know that, Senator; is there?

Senator HARDWICK. I just wanted to know if you knew.

Secretary BAKER. I do not know.

Senator HARDWICK. Anyhow, do you think it is morally right for a bureau chief receiving a salary of several thousand dollars a year to receive also a salary from private interests?

Secretary BAKER. Morally, I do not see any objection to it.

Senator HARDWICK. You do not?

Secretary BAKER. No, sir; on this theory: In this war we summoned all the real brains and talent of America. It is not all rich. Many of the ablest men in America are poor men.

Senator HARDWICK. I think that is true. [Laughter.]

Secretary BAKER. I am not making a personal plea for you and myself, Senator, but I am willing to come under the protection of that. But we brought to Washington men who had families and obligations of every sort, and who wanted to serve the country. Their ordinary financial relations went on. As long as they were not at variance with any interests they were called upon to serve for the Government—

Senator HARDWICK. They were your dollar-a-year men?

Secretary BAKER. Some of them were dollar-a-year men, and some of them much more than dollar-a-year men. The Government of the United States pays the most impecunious salaries as compared with private enterprise, that can be imagined.

Senator HARDWICK. Yes.

Secretary BAKER. And there are a very large number of men who would not have been able to live and maintain their financial obligations but for the patriotic attitude which their employers everywhere took in sustaining them while they were serving the Government.

Senator HARDWICK. Of course, I do not want to hold a moral debate with you, but I would like to put a case to you. Would you think it right for you yourself to receive a salary as Secretary of

War and at the same time to receive a much larger salary from a private corporation that had contracts with the War Department, even if you did not have any interest in it?

Secretary BAKER. Obviously not.

Senator HARDWICK. Obviously not?

Secretary BAKER. Oh, obviously not. That is an absolutely incompatible relationship.

Senator HARDWICK. Even if you did not personally pass on its contracts, you would refuse to retain a position of that sort?

Secretary BAKER. I think it would be utterly irreconcilable, because, potentially, I have power to deal with such matters.

Senator HARDWICK. And potentially you might, due to social relationships and otherwise—

Secretary BAKER. It requires an alert conscience to deal with a situation of that sort.

Senator HARDWICK. That is a justification of what I said—that is, it is not safe for a man to serve two masters, even in war times.

Secretary BAKER. Of course, it is not safe for a man to serve two masters, even in war times, and if a man is drawing a salary from a company which is drawing a part of his compensation from the business relations with the Government, it is inconsistent.

Senator HARDWICK. That is all. I beg your pardon for taking so long.

Senator FRANCE. That is substantially my question.

Secretary BAKER. I do not understand that to be your question. Your question, as I understand it—

Senator FRANCE. No; my question is not Senator Hardwick's question.

Secretary BAKER. I thought that you were taking his question as your own.

Senator FRANCE. No.

Secretary BAKER. I misunderstood you.

Senator FRANCE. I say that the question that I stated is my question.

Secretary BAKER. Senator, I can not answer your question. I would have to read this evidence. I would have to have heard Mr. Hare's testimony, which I have not. Your question involves a criticism upon me, of the way Mr. Hare made up his mind. I can not criticize him, because I do not know.

Senator FRANCE. Yes; but Mr. Secretary, do you not feel, in view of the nature of this investigation in view of the charge which was originally made—not that we connect the charge at all with Mr. Hare's statement; I think the two were coincidental; I do not think there is any casual relationship at all—but the two facts are outstanding, one an alleged fact and the other an established fact, by testimony—the fact that is alleged, that a bribe was asked, and there is an outstanding fact that the one who decided adversely to this project decided contrary to the findings of all the governmental agencies which looked into it. Those are the two outstanding facts, which seem to me to justify a full investigation of this whole question.

Secretary BAKER. Oh, clearly, if there is the slightest suggestion of relationship.

Senator FRANCE. There is no suggestion of casual relationship, but those two facts are outstanding facts.

Secretary BAKER. I am perfectly agreed with you. The Attorney General is the Department of Justice. He can summon a grand jury and examine the witnesses under oath, take their testimony, and if a bribe was solicited, the man who solicited it ought to be punished, and everyone even the most remotely connected with it ought to be equally punished.

Senator FRANCE. Is it not incumbent upon you or the War Department, under these unusual circumstances, there being parties interested who have expended money for the project, to see whether the Government is under any moral obligation to them?

Secretary BAKER. That question has not been hitherto discussed. That is a different question entirely.

Senator HARDWICK. The legal responsibility?

Secretary BAKER. Not merely legal responsibility. I am not disposed to be technical about the legal responsibility.

Senator HARDWICK. No; you can not be about these men.

Secretary BAKER. No; we were in an emergency situation and those who served at the invitation of the Government ought to be put in as good position as they were in before they served.

Senator HARDWICK. All those who served, whether their services were accepted or not?

Secretary BAKER. Yes.

Senator HARDWICK. I want to get back to one thing. Do you know to what extent your bureau chiefs or minor officials in the War Department are drawing salaries from outside interests?

Secretary BAKER. No; I do not, Senator.

Senator HARDWICK. You have not thought that a subject matter for examination?

Secretary BAKER. I thought it a very proper subject matter.

Senator HARDWICK. I am not asking you whether you criticize my own view of it, because that is immaterial, but have you made any study or have you made any investigation in the War Department about it?

Secretary BAKER. Yes; I have made certain investigations and have instructed every bureau chief that any man who was drawing a salary or compensation from companies or organizations that dealt with the War Department should not be retained, and a large number of men have been separated from the service of the War Department because of an apparent conflict of relationships.

Senator HARDWICK. Do you know whether this Philadelphia Gas & Improvement Co.—is that the name of it?

Secretary BAKER. The U. G. I.; yes.

Senator HARDWICK (continuing). Has contracts with the War Department?

Secretary BAKER. Not that I know of.

Senator HARDWICK. Will you find out about that?

Secretary BAKER. Mr. Crowell is here and he would know. If they have any contracts with the War Department it must be in connection with the recovery of toluol from the gas. That is the only conceivable contract I know of that they could have, and I never heard that they have that.

Senator HARDWICK. They might furnish electric power or light at some of the cantonments or hospitals.

Secretary BAKER. That is entirely possible.

Mr. HARE. I think I might clear that up. I talked with the president of the company yesterday over the telephone, and he said that he knew of no contracts that they had with the Government; that the contracts for tolul were made with the powder manufacturers and not with the Government.

Senator HARDWICK. He has no contract at all with the Government?

Mr. HARE. He said so over the telephone yesterday; but Mr. Crowell is making a thorough search to ascertain.

Senator HARDWICK. Then we will get that later.

Secretary BAKER. I never heard of a contract with that company, but it is possible they supply electric light at Wrightstown. It is entirely possible. I never heard that they did.

Senator HARDWICK. My mind is directed to the broader question of relations of employees in peace times. I would like you to send me a list of such of the War Department's officials as are drawing salaries of \$3,000 a year and over. I just make that request because I suppose that will cover all of the important officials who are also drawing salaries of any size from private corporations.

Secretary BAKER. Senator, I do not know how to get that list.

Senator HARDWICK. You do not know how?

Secretary BAKER. I would not know how to get that list. I have issued orders in the War Department that every employee of the War Department who is a stockholder or officer or employee of a private enterprise of any kind which deals with the War Department must be reported, and the law requires, as to men who are in uniform, that they shall make a complete disclosure of any relationship that they may have.

Senator HARDWICK. Yes; I remember when we put that in.

Secretary BAKER. That has all been carried out.

Senator HARDWICK. I believe there is a statute which prohibits an officer of the Government from drawing any salary or profit from private interests.

Secretary BAKER. You mean a civil officer as well as a military officer?

Senator HARDWICK. Yes.

Secretary BAKER. There may be such a statute.

Senator HARDWICK. I am not sure, and I am not stating that it is a fact, but I got the impression that there was such a statute; and certainly it is the rule of propriety.

Secretary BAKER. It is certainly the rule of propriety if the relationships are even possible of conflict.

Senator HARDWICK. There are so many eventualities that may happen that even if they have not happened in the past might happen in the future, that in order to be safe the Government is obliged to have some rule.

Secretary BAKER. It is perfectly simple. You and I act as lawyers, and we have a retainer, and it is perfectly in harmony with every relationship in the world, and then we suddenly discover that two retainers we have are in conflict, and we go to one of the clients from whom we have one of these retainers, and say, "We can not serve you." That is the end of it.

Senator HARDWICK. The same rule would apply to the conduct of these Government officials?

Secretary BAKER. Exactly; it would apply incidentally in the War Department.

Senator HARDWICK. I would not mention this in this connection if it was not a matter of public record; but it develops here that Mr. Hare, who is drawing a salary of \$4,000 from the Government, as an officer of your department, is drawing \$15,000 a year as an officer of this United Gas & Improvement Co. of Philadelphia.

Secretary BAKER. Has it developed that his services to the Government have been at any point in contact with the interests of the company?

Senator HARDWICK. No. He says it can not conflict, and he says from what he knows of the company it has not had any dealings with the War Department, and if it has had any, certainly none that come within the scope of his duties.

Secretary BAKER. Yes.

Senator HARDWICK. And I am just using this as an instance to illustrate this situation. There is no telling what time that might occur, and it looks to me as if there ought to be some general policy in force in all departments, if the law itself does not enforce it, that men that draw salaries—and I do not believe in the dollar-a-year proposition—

Secretary BAKER. I do not, either.

Senator HARDWICK. You do not?

Secretary BAKER. No, sir.

Senator HARDWICK. I thought you said that should be allowed.

Secretary BAKER. I think the Government should pay value received for everything it gets.

Senator HARDWICK. Certainly; and that they ought to have no other interest than the Government's interest.

Secretary BAKER. Well, I believe that the Government ought to pay for the services it gets.

Senator HARDWICK. Yes; and what I want to know is, can we not do something to clean out all this sort of business, without any invidious reflections upon anybody on account of things that are past, and—

Secretary BAKER. I do not want to make a generalizing answer to that, because I do not want a lot of things confused that are not confusable.

Senator HARDWICK. No; I do not want that, either.

Secretary BAKER. There are a lot of people in Washington who are serving the Government with obvious fidelity, and with complete freedom from all sorts of conflicting relationships, who in their private relationship have established relationships of partnership and employment, and whose partners are going on with their work and making it possible for the absentee partner to serve the Government. Employers are doing the same thing. Now, wherever a relationship of that kind involves a conflict with the public interest, of course it is improper; but where it does not involve a conflict with the public interest, it is generous and patriotic.

Senator HARDWICK. The last part of your statement—of course I am not here to argue it with you—is—

Secretary BAKER. I am not making that as a pragmatic sanction, but merely as a statement of my belief.

Senator HARDWICK. It is doubtful, because of the gap that is opened up, as to what may happen. It is doubtful because, to my

mind, it is a pretty safe rule to say that if you are representing the Government you ought not to have business relations with anybody who is liable to have business relations with the Government.

Secretary BAKER. To that I agree.

Senator HARDWICK. And that is liable to happen with all these big corporations.

Secretary BAKER. Yes; and if it ever happened, it would be for the officer in the doubtful relationship to dissolve one or the other.

Senator HARDWICK. But until it does happen, you think it is all right for him to stay?

Secretary BAKER. I can see no particular objection.

Senator HARDWICK. There might be a good deal of a loophole there, so that a man who was dishonest could represent a private interest and could stay in there until he got things all fixed, and then retire.

Secretary BAKER. Oh, yes; a dishonest man will find all sorts of loopholes, everywhere.

Senator HARDWICK. At any rate, you do not know whether there is a statute against it or not?

Secretary BAKER. I do not, Senator.

Senator LENROOT. May I ask you, Mr. Secretary, is it your idea that if a man in public service also receives a salary from a private party, if through that party business relations are established with the Government and immediately upon their becoming established he resigns, the public welfare is sufficiently safeguarded?

Secretary BAKER. Of course not. I think that is grossly immoral.

Senator LENROOT. So that you would not base the contingency of his leaving the public service upon the establishment of business relations?

Secretary BAKER. Not at all; upon the mere——

Senator LENROOT. Then where would you draw the line?

Secretary BAKER. I would draw the line upon the discovery of the fact that business relations were possible.

Senator LENROOT. Were possible?

Secretary BAKER. Yes.

Senator HARDWICK. That would take in practically every corporation in the country?

Secretary BAKER. Oh, no; I hardly think so.

Senator HARDWICK. It would take in such things as this gas company.

Secretary BAKER. I do not mean "possible" in the sense of physically possible, but I mean likely, or under consideration. Take this particular case of Mr. Hare.

Senator HARDWICK. Yes.

Secretary BAKER. He is a former employee of the gas company.

Senator HARDWICK. A present employee.

Secretary BAKER. A present employee?

Senator HARDWICK. Yes.

Secretary BAKER. Now, if he were to hear that the War Department was considering relationships with the United Gas & Improvement Co. of Philadelphia, he ought to say to Mr. Crowell, "That is my company. I must terminate one or the other of these relationships," and make his election which one to terminate.

Senator HARDWICK. If he never heard of it, it would be all right.

Secretary BAKER. Well, he would be innocent if he never heard of it. It would be embarrassing if he never heard of it, because it would lend color to suspicions of people who heard of it.

Senator HARDWICK. That is the danger of it.

Secretary BAKER. That is the danger, Senator, and it is perfectly clear. I do not want to be argumentative about it, but I think it must be perfectly clear that the service of the Government can not in its nature be exclusive of every other interest in the world. Men must have investments; they do have investments; they own houses. You elect a man to the Senate, and the first thing you know the interest of the United States Government is to have the house in which he lives, to put a post office on that site. Now, here is a man who is elected to Congress, and is a Senator, and he votes for a post office in a particular place, and the next thing anybody knows it is discovered that the particular site of his residence is the place where the post office is desired to be located.

Senator HARDWICK. That is something that is common to all the citizens of the country, and it is liable to occur to anybody.

Secretary BAKER. But it is an illustration of the embarrassment that comes from generalizing about moral questions.

Senator HARDWICK. Yes; but that is an extreme case.

Secretary BAKER. Yes; I am citing that merely to make it illustrative.

Senator HARDWICK. But I am thinking, Mr. Secretary, of these great corporations that in the very nature of things must have, and generally do have, large transactions with the Government. You would not for a minute think it proper for a Member of the Senate or the House of Representatives to accept a retainer from such a corporation as that.

Secretary BAKER. Let me give you another illustration.

Senator HARDWICK. Yes.

Secretary BAKER. Take Mr. Schwab. I do not suppose anybody in the whole United States brought to the service of the Government a finer spirit or more effective service than Mr. Schwab brought to the Emergency Fleet Corporation. His service was of incalculable value. Mr. Schwab is president of a steel company. He owes very great obligation to the property of which he is the president. I mean that he is a trustee for the investments of large numbers of persons. To have deserted them, to have surrendered his presidency of the Bethlehem Steel Co. to have become president of the Emergency Fleet Corporation, would not have been merely a personal sacrifice to him, but would have been a neglect of trustee relations which would perhaps have been impossible for him to neglect. I think it would be a mistake to establish a rule, either of morals or law, by which a man so circumstanced and so occupied would be denied the opportunity of public service because somebody might suspect, however baseless the suspicion, that there might be a conflict in those relationships.

Senator HARDWICK. Do you not differ a good deal on the rule to be maintained under stress of war, and the ordinary peace rule?

Secretary BAKER. No; there is no difference.

Senator HARDWICK. No difference?

Secretary BAKER. There is only one rule, and that is honesty, for both conditions.

Senator HARDWICK. I know; you might accept services for nothing on the ground of patriotism in case of war, as we did do, that we would not think of accepting in time of peace.

Secretary BAKER. No; I do not believe in that. I think men ought to be just as patriotic in peace times as in war times.

Senator HARDWICK. Yes, I know that; but the demands are not so insistent.

Secretary BAKER. They are not so well recognized.

Senator HARDWICK. They are not quite so strong.

Secretary BAKER. They ought to be.

Senator HARDWICK. In war times they ought to be.

Secretary BAKER. I am inclined to think they ought to be. As a matter of fact, I think that patriotism has finer opportunities for exhibiting its best qualities in peace rather than in war.

Senator HARDWICK. That may be, but the sacrifices that men are called upon to make for their country are so numerous and varied—

Secretary BAKER. The call is not heard by quite so many people.

Senator HARDWICK. And it is not quite so insistent, and it does not come from so many ways, but you think that it is exactly the same, then, about taking these people who have got these large interests and letting them work for the Government even in case of probable conflict, in time of war as in peace?

Secretary BAKER. I decline to answer that question, Senator.

Senator HARDWICK. I thought you did.

Secretary BAKER. I have never said that the Government ought to have in its employ persons who had possible conflicts between their personal interests, private interests, and the interests of the Government.

Senator HARDWICK. You were using Mr. Schwab's case to illustrate that very thing I have had in mind.

Secretary BAKER. I had used Mr. Schwab to illustrate the case of a man who had immense private interests which did conflict with his employment by the Government; and the minute that a conflict arose, Mr. Schwab would, of course, do the thing we agree that he ought to do.

Senator HARDWICK. Yes; and you were using his case to illustrate the necessity and propriety of permitting that. Therefore, you are saying that it ought to be done.

Secretary BAKER. I used his case to illustrate the fact that persons in the public service can not be so separated from the rest of mankind that they will have no business interests.

Senator HARDWICK. No, of course not; but you were saying that Mr. Schwab as the president of the Bethlehem Steel Co., a powerful corporation, would necessarily have at different times, especially in war, interests that would conflict with the interests of the Government.

Secretary BAKER. I was not using Mr. Schwab's case for that purpose, but I was using him to show that the Government can not expect to get all of its work done out of a race of men set apart from the rest of mankind, who have no business relations with the rest of the country of a private and personal character.

Senator HARDWICK. That did not owe the obligations of service to a man. That is a different proposition.

Secretary BAKER. That, of course, is a question of a new set of definitions.



Senator HARDWICK. Yes.

Senator LENROOT. Let me ask you this question: In peace times would you approve of a servant of the Government receiving a salary of \$4,000 a year and at the same time receiving a salary of \$15,000 a year from a private corporation for whom he was rendering no services, even though that corporation had no relationship to the Government?

Secretary BAKER. Would I approve of it as what?

Senator LENROOT. Would you approve of it as being the proper thing to do?

Secretary BAKER. Proper from whose standpoint?

Senator LENROOT. From the Government's standpoint.

Secretary BAKER. From the public standpoint?

Senator LENROOT. From the public standpoint.

Secretary BAKER. I have not thought about that. I do not see any conflict in it as you state it. For instance, a man might be a Senator of the United States and at the same time the president of a mining company in some place where he owned mining interests, and was the principal owner of a mine.

Senator LENROOT. Or the president of a railroad company?

Secretary BAKER. I doubt very much the railroad company illustration, although I am not certain that that is an inconsistent relationship, because the railroads are under Government control; but to a very much larger extent than the railroads, I imagine if Senator Hardwick owned a coal company and was president and principal owner of its stock, there would be no conflict between his having a salary from his own property which he owned and his drawing a salary as Senator.

Senator LENROOT. That was not my question, Mr. Secretary. The question is this: An employee of the Government drawing a salary of \$4,000 a year, I say in peace times, and a private corporation paying an employee \$15,000 a year for services which are not being rendered to that corporation by that employee.

Secretary BAKER. Well, now, Senator, if you mean your question as you put it; that is to say, in peace times an employee of the Government gets \$4,000 a year for his services to the Government and a private company is paying him \$15,000 a year for services, and in expectation of services, and he is not rendering those services, then I think the relationship between him and the company is one of defeated expectation in the contract.

Senator LENROOT. But you think there is nothing in the policy that would make it wrong to continue that salary?

Secretary BAKER. Not unless the services which he is supposed to render for the \$15,000 are services which, if rendered, would be antagonistic to the services which he is rendering to the Government for \$4,000.

Senator LENROOT. So that, let me understand you: Then you would think, here is a Government employee receiving a substantial salary. If any private corporation chooses to add to or double his salary without any apparent reason for it or any services being rendered to the corporation, you would think, from a public standpoint, that the Government should continue the services of that man?

Secretary BAKER. I think it would be a suspicious circumstance, and so suspicious as to justify the separation of that man from the public service.

Senator HARDWICK. Are there any other questions by any member of the committee?

Senator FRANCE. I just wish to make a statement, in view of the possible implication in my question which dealt with the alleged fact of a bribe being asked, and which dealt with the developed fact that this officer of the Government made recommendations contrary to the findings of the agencies upon which he should rely.

I wish to state, in view of that implication, that there is nothing, so far as I know, in the evidence to show that the man who was alleged to have taken a bribe had any connection at all with the officer of the Government who decided adversely and contrary to the findings of the agencies upon which he should rely. There is nothing to show any causal relationship between the two, as a matter of fact.

Senator HARDWICK. Of course you make that statement for the purposes of the record?

Senator FRANCE. Yes; and I want particularly to say that so far as this committee is concerned it has not the slightest desire to reflect upon Mr. Crowell, because I think that the consensus of opinion here is that Mr. Crowell, the Assistant Secretary, is one of the ablest men connected with the governmental service. I feel that way, and I think the other members of the committee feel that way, too.

Senator HARDWICK. Independent of that fact, there is no suggestion here that Mr. Crowell had any personal knowledge of this matter at all. He relied upon Mr. Hare.

Secretary BAKER. I understood Mr. France's disclaimer to cover a statement of the fact that there is nothing in the record to show that fact.

Senator HARDWICK. There is, however, I think, evidence that Mr. Hare decided against this proposition in a moment of irritation. I do not think there is anything here to suggest anything corrupt.

Senator FRANCE. I think, when it is all boiled down, the evidence tends to show that Mr. Hare was irritated and decided this matter in a moment of irritation.

Mr. ADCOCK. You did not want to imply that Mr. Trainer's testimony had been put in, when you said that it was an established fact from the evidence that a bribe had been offered?

Senator FRANCE. I did not say that that was an established fact. On the contrary, I said that it was an alleged fact.

Secretary BAKER. The Senator was careful about that. He said that it was an alleged fact.

Mr. ADCOCK. Very well.

Senator HARDWICK. Is there anything else that anyone wants to ask the Secretary? If so, let him proceed to do it. We know that the Secretary is busy, as we all are.

I do not know that the Secretary's examination touched any one of the particular interests which you gentlemen appear for. If so, I will permit a very brief questioning.

Mr. BENNET. I am instructed, Mr. Secretary, by Mr. Hines, my client, to publicly thank you for the very many courtesies he received at your hands in connection with the Speedway project.

Would it annoy you if I asked one or two questions in the matter of administration, in connection with this matter?

Secretary BAKER. Not the slightest.

Mr. BENNET. Of course, we all agree with the Senators that only a fraction of the facts in relation to any matter can possibly be brought to your attention, in view of the multiplicity of your duties. I think there is no question about it.

Secretary BAKER. Only a fraction of the facts that deal with all my duties can be brought to my attention, but as to some of them, I know all the facts.

Mr. BENNET. Yes. In relation to this Speedway proposition, the situation seems to be, and the testimony is, as I recall it—and Mr. Crowell and Mr. Hare are both here and they can correct me instantly if I misstate it—that after the 24th of October, 1918, they performed no act in relation to the Speedway proposition.

Secretary BAKER. The 24th of what?

Mr. BENNET. Of October, 1918. That was the date on which Mr. Crowell signed what I will call the second rejection. Do you know who had the Speedway matter in charge at that time?

Secretary BAKER. So far as it was in charge of anybody, I suppose that I had it myself. That is about the time that I sent Gen. Chamberlain's commission out.

Mr. BENNET. No; that was about the time that you sent Maj. Stotesbury to Chicago.

Secretary BAKER. Then I should suppose that Gen. Ireland had it from then on. There may not have been anything done in it that was called to my attention. I do not know.

Mr. BENNET. Then I just want to put the fact in the record, and I hope you will assume my statement to be accurate, that on the 29th of October you had an interview with Mr. Hines, and at that time he gave you a letter, which is in the record, which was dated the 26th of October, and between that interview and the interview the next morning at which Gen. Chamberlain was present you very kindly wrote that letter and next morning stated the contents of the letter to Gen. Chamberlain and those who were present. You recall that?

Secretary BAKER. Perfectly.

Mr. BENNET. And among other statements in that letter was the statement that, in substance, unless you prefer me to read it—

Secretary BAKER. You can state the substance of it. I remember it.

Mr. BENNET. That the Speedway hospital, measured as other hospitals were measured, was a 4,000-bed hospital, and that the cost per bed was \$489.

Senator HARDWICK. The Speedway hospital?

Mr. BENNET. The Speedway; yes. And this proposition was made in addition to the sale proposition that had been made before that. [Reading:]

If the Government prefers, we will lease the Speedway Park for the period of eight years with the usual cancellation clause. All the buildings and improvements required by the Surgeon General in accordance with the plans and specifications heretofore furnished us by the construction department will be built and completed by us for the sum of \$1,957,364. On the basis of 4,000 beds, this makes the cost \$489 per bed.

All improvements to revert to us at the end of the term.

For each year the property is retained by the Government, it is to pay as rental a sum equivalent to a fair rate of interest on our additional investment of, in round figures, \$1,300,000.

You gave that letter very personal attention, and it surprised Mr. Hines on the morning of the 30th, the knowledge you showed of the contents. You remember it?

Secretary BAKER. Yes; perfectly well. I do not remember his surprise, but I remember the facts.

Mr. BENNET. Probably you did not express any surprise. What you sent Maj. Stotesbury to investigate was not these charges in relation to Mr. Trainer, but the Speedway hospital proposition, altogether; is that right?

Secretary BAKER. I think that is so only because I gave him that letter as the basis of his visit out there. I gave that letter to Gen. Chamberlain in Mr. Hines's presence.

Mr. BENNET. There were also verbal instructions.

Secretary BAKER. I did not write those.

Mr. BENNET. He wrote them?

Secretary BAKER. Gen. Chamberlain wrote them for Maj. Stotesbury after he had had the conversation with me in Mr. Hines's presence; and all that I ever said to Gen. Chamberlain on the subject I said in Mr. Hines's presence.

Mr. BENNET. Yes. You are a trifle in error in that. That is in the record, in the Stotesbury report, and Gen. Chamberlain's memorandum, and it does not vary materially.

Secretary BAKER. It says what?

Mr. BENNET. Now, this reads as follows:

WAR DEPARTMENT,  
OFFICE OF THE INSPECTOR GENERAL,  
*Washington, October 31, 1918.*

Memorandum for Maj. L. W. Stotesbury, I. G.:

In conversation with the Secretary of War this date he informed me as follows:

First, that upon the occasion of the first visit to his office of Mr. Creel and Mr. Erskine relative to the Speedway hospital project, he referred these gentlemen to the Third Assistant Secretary of War and that he gave instructions that the project should be fully looked into, but that he said nothing which could rightfully have been interpreted as an expression of opinion as to its merits.

Second, he informed me that this investigation in no sense operates to nullify the action of the Assistant Secretary of War as announced in his memorandum dated October 24, and that such action holds good unless specifically changed. That any work which may be done in connection with this project will be entirely without the authority of the War Department.

J. L. CHAMBERLAIN.  
*Inspector General.*

I simply read that to you because it is in the record.

Secretary BAKER. But that is not at variance.

Mr. BENNET. No; except that it was just additional instruction, not in Mr. Hines's presence.

Secretary BAKER. I think that was all said in Mr. Hines's presence. I do not think there can be any doubt about it. I am positive about it because I wanted Mr. Hines to hear all that I said to Gen. Chamberlain and did not want Gen. Chamberlain to have any sort of instruction or recollection of this situation except such as Mr. Hines knew him to have, and I therefore sent for Mr. Hines to come next morning, or appointed him to come, and as I remember, Gen. Chamberlain came into the room after Mr. Hines had arrived, and I gave Gen. Chamberlain the letter and stated to Gen. Chamberlain a résumé of the conversation I had had the day before with Mr. Hines, and then asked Mr. Hines whether I had stated accurately

to Gen. Chamberlain what he said to me, and he said yes. Of course I see Gen. Chamberlain very often, and I might have said to him casually that I did not want him to reverse Mr. Crowell, which would have been an entirely unnecessary thing to say; but I might have said it.

Mr. BENNET. This is a matter of no importance, but it is in the record.

When Maj. Stotesbury's report came back did it come to you or to some member of the War Department?

Secretary BAKER. It came to the Chief of the General Staff.

Mr. BENNET. And there was a memorandum besides from Gen. Chamberlain dated November 16. Was that brought to your attention?

Secretary BAKER. I can not remember. What does it say?

Mr. BENNET. It reads as follows: This is in relation to the Speedway:

(The letter was here read aloud by Mr. Bennet and has heretofore been printed in full in this record.)

Secretary BAKER. I have a general recollection of having seen that.

Mr. BENNET. Signed by J. L. Chamberlain, Inspector General.

Secretary BAKER. I have a general recollection of that.

Mr. BENNET. Between the time that Maj. Stotesbury went to Chicago and the time he came back, which was the 15th of November, a very important fact had transpired, to wit, the signing of the armistice, and on the 22d of November—if you will again accept my statement of the date—you very frankly said to Mr. Hines in an interview that this matter was being considered in connection with the necessarily smaller requirements for hospital beds. There is no question about that. We all agree on that. Is that correct?

Secretary BAKER. Yes.

Mr. BENNET. And about that time, or before that time, I am not sure which, you had ordered the cancellation of the Field Museum contract.

Secretary BAKER. I do not have a very lively recollection of it.

Senator HARDWICK. That is in the record. We have the date of that in the order.

Secretary BAKER. That was done on the recommendation of the Chief of the General Staff through the Operations Committee, as I recall, and I have no personal, vivid recollection of that incident.

Mr. BENNET. So that the situation was that about the 1st of December, leaving out of consideration for the moment the Cooper-Monotah Hotel, which was a small affair, there were two hospitals under construction in Chicago, both originally designed for the occupancy of returned wounded soldiers, one the hospital at Fort Sheridan, a wooden hospital, and the other the Speedway hospital. There is no question about that. That is the record.

Secretary BAKER. I think the Field Museum would have to be included in that. I understand that some work was done on that. I am not sure of it.

Mr. BENNET. I think you are possibly in error, but that is not a material point. Pardon me.

Secretary BAKER. I may be wrong.

Mr. BENNET. And it is in evidence here that the question was raised as to whether the Fort Sheridan, the wooden hospital, or the Speedway, the fireproof hospital, should be chosen. With whom did the determination of the question rest, after the 22d—

Secretary BAKER. I accept your statement as to the date.

Mr. BENNET. Yes; that is the armistice.

Secretary BAKER. Yes. The only contact that I had with the subject after that was with the Chief of Staff, who brought me recommendations as the result of studies by the operations section of the General Staff, of which Gen. Jervy was the head.

Mr. BENNET. Do you know why it is that this committee has been unable to procure a copy of any such report?

Secretary BAKER. I do not know. I would not be able to say that I ever saw a written report. Each time I studied the thing I would ask Gen. March about it, and he would say that the subject had been studied by the operations section and they had reported adversely, or otherwise.

Mr. BENNET. Would you be interested to have read to you—it will take but a minute—the only two papers that we can find on record, apparently, criticising the Speedway Hospital or giving any reason for its rejection?

Secretary BAKER. Of course I am interested, if it will serve your purpose; but it does not connect up with what you have just been talking with me about. If you want to know what the General Staff or what its committees did, I would suggest that you ask Gen. Jervy and his officers to come down and tell you. They told me.

Mr. BENNET. So far as you recall, there is nothing written in relation to the matter?

Secretary BAKER. I do not remember anything on that subject.

Mr. BENNET. Here are two things. One is the letter of October 26, the substance of which you kindly stated to Mr. Hines in the interview of the 29th, signed by Lieut. Col. John A. Hornsby [reading]:

OCTOBER 26, 1918.

DEAR MR. SECRETARY: I am very much opposed to taking over the Field Museum, in Chicago, and the Speedway project in that city.

We are proposing to spend over two millions of dollars trying to make the Field Museum into a temporary hospital and after we get through with it it will be just as much of a hospital as a cyclone cellar with a glass top would be—besides, I have rounded up over 20,000 beds, scattered over the country in buildings of excellent character that adapt themselves to hospital purposes and they are costing us \$1,760,000. The Field Museum proposition costs more than all of mine together and will never be a hospital—and even if it could be made into a hospital it is going to take many months to complete the alterations.

I am opposed to the Speedway project, which seems now to have been disapproved by Mr. Crowell, for the reason that we are asked there to pay \$3,500,000 for 2,500 beds which will eventually hold considerably less than 2,000 people after the personnel is taken care of. One of the arguments in favor of this project is that it can be made into a permanent Army hospital after the war. Chicago is my home, as you know, and I know this property well; it is situated in a low, sordid part of Chicago, out on the west side in a locality that is extremely uninviting to live in.

It seems to me that if we are going to spend as much as \$3,500,000 for a permanent hospital for the Army we would go out to Sheridan, which is so beautifully situated, up over the lake in a forest of great primeval trees, in a rolling country, and not go and squat down into a place that is under water half the time.

Without either of these projects Chicago is not in a bad situation in regard to hospital beds. Sheridan can take care of approximately 1,500 patients now and we are building 2,500 beds there, and by a little alteration we can increase to 5,000 or 6,000 beds, and we can do this on our own property and of construction that will last at least for a number of years—far beyond the time when this war will affect hospital conditions.

We made a huge mistake in building up a great patchwork piece of hospital construction at Walter Reed; if we are going to have some decent, permanent Army hospitals, let's lay them out in some sort of order and locate them where they will be places of beauty and usefulness.

Sincerely yours,

JOHN A. HORNSBY.

HON. NEWTON D. BAKER.  
*Secretary of War.*

Did that letter have any influence on your judgment?

Secretary BAKER. It had no influence on my judgment. I have known Dr. Hornsby a very long time. I regard him as one of the ablest men in the country on hospital questions. It did not have any influence on my judgment because I discovered from what Mr. Hines told me that he had gotten a wrong location, in some way.

Mr. BENNET. Did you know that Col. Hornsby had been superintendent of only one hospital, and from that position he had been asked to resign?

Secretary BAKER. That would not affect my judgment of him at all. I have had a very close and intimate opportunity to profit by his excellent judgment. I built a city hospital in Cleveland when I was mayor of that city, and that brought me into contact with hospital experts from all over the United States.

Mr. BENNET. Was Col. Hornsby in the service at that time?

Secretary BAKER. He was not at that time. I subsequently called for Mr. Hornsby and got him to come to Cleveland and advise me about difficult questions about hospital construction, and I came into close contact with him as a retained professional advisor, and I came to know the quality of his mind, and have a very high regard for him.

Senator HARDWICK. You say this letter did not have any influence on you?

Secretary BAKER. No.

Senator HARDWICK. You found out before you made the decision that his statement was made under a mistake?

Secretary BAKER. I never have decided anything, Senator, about this, except that I would not reopen the question. A number of times I have been besought to reopen it, and I would not reopen it, and Dr. Hornsby's statement was not of any importance.

Senator HARDWICK. You have been besought to reopen it?

Secretary BAKER. Yes; many times.

Senator HARDWICK. And of course, so far, you have decided not to do it?

Secretary BAKER. Yes.

Senator HARDWICK. You say this letter had a mistake in it?

Secretary BAKER. I never talked to Dr. Hornsby about it, but when Mr. Hines talked with me he explained the matter of the location of this ground, and I rather assumed that Dr. Hornsby must have had a different place in mind, and when Gen. Chamberlain's committee went out I talked with them about the location, and I became convinced that Dr. Hornsby had a different place in his mind.

Senator HARDWICK. Then you were satisfied about it?

Secretary BAKER. Yes; but I do not know what he would say if I asked him.

Senator HARDWICK. Then, whatever others may say, Col. Hornsby is a gentleman of very high character?

Secretary BAKER. My experience with him has shown him to be a man of very great expertness.

Senator FRANCE. And of good moral character?

Secretary BAKER. So far as I know; I have never heard any suggestion that was to the contrary regarding his character.

Mr. BENNET. You would not regard the fact that he had gone through bankruptcy as any reflection on him, recently?

Secretary BAKER. I would not, necessarily. Misfortunes affect the just as well as the unjust.

Mr. BENNET. The other paper I have is this [reading]:

SEPTEMBER 27, 1918.

Memorandum for the Surgeon General.

Subject: Construction of general hospital, Maywood, Ill.

The Acting Secretary of War directs that you be informed in view of the fact that 4,000 beds can be provided for at Fort Sheridan at a cost of \$737 per bed, and further in view of the fact that it appears possible to secure an additional 6,200 beds by erecting temporary buildings at Marquette Park and Washington Park, the project for building a permanent hospital at Speedway Park at a cost of \$1,410 per bed is disapproved. It is directed that further study be given to the general subject of securing additional beds at Marquette Park, Washington Park, and at the new Field Columbia Museum, and that a report covering these projects be made to this office promptly.

For the Director of Operations.

R. E. WYLLIE,

Colonel, General Staff,

Chief Equipment Branch Army Operations Division.

Secretary BAKER. What is the date of that?

Mr. BENNET. September 27. That was subsequently brought to your attention.

Secretary BAKER. That was while I was in Europe, and so far as I know that particular paper I never saw.

Mr. BENNET. I want to ask you a question in relation to the office administration, if you will permit.

Secretary BAKER. Yes.

Mr. BENNET. There is no doubt, is there that Mr. Hines and his associate, Mr. Shank, had gone ahead in Chicago at a time when there was felt to be a great need for hospital construction—I am not trying to commit you, for a moment, to the theory that there is even a moral obligation—the architects had worked day and night, the building was quite a ways up; that was known to the construction division of the Surgeon General's Office, to every department of the Government; it was also known that all these departments had recommended this proposition. Do you not think that it was the proper part of the office of administration, that the Shank company the titular proponent in the matter, ought to have been notified of this rejection, and the reason?

Secretary BAKER. I do not know whether the Shank company was the particular proponent.

Mr. BENNET. Oh, yes; they were.

Secretary BAKER. I do not know whether they were notified. I do not know anything about their relation. I can speak only for myself. As far as I personally am concerned, I never gave even a colorable approval to the project. Whether anybody else did or not, I do not know.

Mr. BENNET. Of course I am not going to burden your mind, or to take the time to read the testimony that has been taken here in the last two weeks. I simply summarize.



Secretary BAKER. If you will allow me, I would suggest that Mr. Shank, if he was the main proponent, if he came to Washington and talked it over, would have gotten some direct approval from some authorized person before he went ahead with his investment.

Senator HARDWICK. During this war period people did furnish the Government with millions of dollars' worth of material without contracts.

Secretary BAKER. Yes; undoubtedly, and they dealt with persons who appeared to be authorized, and wherever anybody in good faith acted upon the invitation of a man who appeared to be authorized by the Government, he ought not to be allowed to suffer.

Senator HARDWICK. Even on telephone conversations.

Secretary BAKER. Clearly, Senator.

Senator HARDWICK. There was a little different situation in the stress of war times.

Secretary BAKER. Yes.

Senator TRAMMELL. The question is, did this party come within the purview; did anybody in authority request that they go ahead with this?

Secretary BAKER. That I do not know.

Senator TRAMMELL. You know nothing of that?

Secretary BAKER. No.

Senator HARDWICK. But it is a fact that at the time this project was begun there was a tremendous rush to secure hospital accommodations as quickly as they could?

Secretary BAKER. I think it is unfair to say that there was a tremendous rush. There was a great deal of activity in the demand of the Surgeon General's office to secure hospital facilities.

Senator HARDWICK. Not using the particular words I used, there was an urgency?

Secretary BAKER. I only hesitate because I do not want to appear to lend myself to the opinion that there was a lot of confusion about it. I do not think there was.

Senator HARDWICK. There was a lot of pressure?

Secretary BAKER. There was a lot of pressure.

Senator HARDWICK. To secure accommodations for wounded soldiers at once?

Secretary BAKER. Yes; Gen. Noble and other officers went and picked out sites.

Senator HARDWICK. They obtained buildings, or tried to, to provide several thousand beds?

Secretary BAKER. Yes; Gen. Hornsby did the same thing and made tentative arrangements which were sent to the War Department for approval before being considered as settled.

Mr. BENNET. And 30 days' hard work of Gen. Noble and his committee in Chicago developed only 600 beds. That is the testimony.

Secretary BAKER. You are bringing me the facts.

Mr. ADCOCK. I do not think that it is fair to state that. There was the Field Museum.

Mr. BENNET. I do not think it is material.

Senator TRAMMELL. I do not think it is material, because Government agencies in my State spent three or four weeks in getting barges, and did not bring any in.

Senator HARDWICK. They did not get any?

Senator TRAMMELL. They did not take any of them.

Mr. BENNET. Now to come back to the 1st of December when you were back here, and in more or less direct personal touch with this matter; the evidence is that the new construction at Fort Sheridan was costing either \$1,000 or \$1,100 a bed, it is not possible yet to tell the exact price because, as Mr. Crowell very properly said when he was on the stand, with cost-plus contracts you can not tell until it is all over; and that was for a wooden hospital. The Speedway Hospital, under Mr. Hines's revised bid, assuming now that there were but 2,500 beds instead of 4,000 beds, could have been procured for \$782.90 per bed.

Do you know of any reason why, with both hospitals under construction, when it was possible to secure a fireproof hospital as quickly as if not more quickly than a wooden hospital, and at a price over \$300 less per bed than in the wooden hospital, the construction of the wooden hospital was proceeded with and the fireproof hospital was not accepted?

Secretary BAKER. There are three statements in your question which, so far as I know, are at variance with the facts.

Mr. BENNET. Which are they?

Secretary BAKER. In the first place, the Fort Sheridan Hospital had progressed to a very substantial extent when the matter of the comparison between the two was instituted.

In the second place, I have never seen any figures which showed that the cost per bed of the so-called Speedway Hospital would be less than that of the Fort Sheridan Hospital, if all of the things necessary to be built, all of the adjacent buildings, service buildings and so forth, were taken into account.

Mr. BENNET. I will tell you where I get that statement.

Secretary BAKER. Let me finish my answer, if you please.

Mr. BENNET. Yes.

Secretary BAKER. The third one—there was something else in your question which it seems to me was at variance with the facts.

Senator HARDWICK. Let the question be read.

Secretary BAKER. Oh, yes; I know what it was without the question being read.

The question was as to the ability of the proponents of the Speedway Hospital to complete it in time, as soon as the other.

Senator HARDWICK. That was it.

Secretary BAKER. I never heard the statement as to the condition of that hospital, and I heard constant doubts as to whether it could be completed within the time proposed by the proponent.

Mr. BENNET. The proponent was under a bond with a penalty of \$500 a day for the first 15 days, and \$1,000 a day for every day thereafter, to complete it within the time.

Secretary BAKER. To whom did that bond run?

Mr. BENNET. To the Government.

Secretary BAKER. Do you mean to say that the Government ever accepted a bond from Mr. Shank?

Mr. BENNET. No; I mean to say that the contract as drawn up and accepted by Shank and signed by him contained that provision.

Secretary BAKER. You mean to say that the contractor would have been and was willing to accept the obligation under that bond?

Mr. BENNET. To complete that hospital within 100 days from the 3d of September.

Secretary BAKER. I have no knowledge on that subject, except that I was repeatedly told that the project at the time would probably be a disappointment.

Mr. BENNET. By whom?

Secretary BAKER. I think by the Operations Section. I can not tell you. It comes into my mind as being information that I got from Gen. March; but I may be wrong about it.

Mr. BENNET. You do not carry in your mind who it was that stated to you that the building could not be completed in the time the contract provided?

Secretary BAKER. No; I can not say it in that form; but I will say that that remains in my mind as having come out of some conversations—they may have been with Mr. Crowell. I simply suggest that there was a doubt of practical construction people as to whether the hospital could be completed——

Mr. BENNET. We have been having these hearings for 12 days, and so far that doubt has not been expressed here.

Secretary BAKER. I may be wrong about it.

Mr. BENNET. It further appears that the function of decision really, as stated by Senator France, was exercised by Mr. Hare.

Mr. BOUVIER. I must object to that.

Secretary BAKER. That was merely——

Mr. BOUVIER (continuing). The function of decision.

Mr. BENNET. If you will let me finish.

Mr. BOUVIER. No; I object to it.

Mr. BENNET. Not that I intend to convey the impression that the action of Mr. Crowell of September 22 was entirely perfunctory, but that the function of decision had been exercised by Mr. Hare, and Mr. Crowell stated, when on the stand, that he necessarily relied on Mr. Hare in this particular matter.

(The pending question was read by the stenographer.)

Mr. BENNET. Do you think that on a proposition involving contracting for construction and hospital accommodations, the decision of so important a portion of it should have been left to a gentleman, however able in other regards, who had neither contracting, constructing, nor hospital experience, and practically, whose entire business life had been in the employ of a single gas company, where his position was that of head of the sales department of the gas company, having to do, as he has testified, with the sales of their products, to wit, gas, electric lights, gas stoves, electric stoves, if I do not misquote him, hot plates, whatever they may be, and other electrical appliances? In other words, were the legitimate rights of the proponents safeguarded by leaving the decision to a man who had had no previous experience whatever in connection with a problem of that character?

Secretary BAKER. I do not see any particular objection to that.

Mr. BOUVIER. I must object to that question.

Secretary BAKER. I do not see any particular difficulty with the question, if I am permitted to answer it.

Senator TRAMMELL. I think that is all right.

Senator HARDWICK. Let the Secretary answer it if he wants to.

Secretary BAKER. I do not want to be recorded as assuming the facts as they are stated by Mr. Bennet.

Senator HARDWICK. That is, assuming that they are so?

Secretary BAKER. Yes.

Mr. BENNET. Assuming the facts to be as stated?

Secretary BAKER. There is no difficulty about it, whatever assumption you make. Assuming that Mr. Crowell knew Mr. Hare, knew the way his mind worked from observing him work, knew whether he was careful, whether he was painstaking in examining evidence, I can see no possible reason why he should not have relied on Mr. Hare's judgment as fully as his observation and experience of Mr. Hare justified. In other words, we frequently have to rely upon the judgment of men in unfamiliar situations, and our reliance is justified by our previous observation of the particular person upon whom we rely.

Mr. BENNET. Then, I take it, it would be in your opinion good judgment to place a man with the qualifications which I have assumed he had in a position where he could overturn the judgments of experts you had in the construction division, the Surgeon General's division, in the division of the Director of Operations, who had consulted at length on this proposition and had come to the unanimous decision in relation to it?

Secretary BAKER. I do not want to assume that state of facts, because I do not know anything about it.

Mr. BENNET. I say, assuming that to be a fact?

Senator BECKHAM. Is not that a question for argument?

Mr. BENNET. Possibly it is. I will withdraw it.

Senator HARDWICK. It does not seem to me that is proper.

Senator BECKHAM. Particularly with the Secretary.

Mr. BENNET. Our situation in relation to the hospital includes a rather serious fact. I have here the following telegram [reading]:

Eleven wounded and gassed men were sent to Speedway Hospital under order No. 25, paragraph 5, from port of embarkation, Hoboken, under date of January 25. First man coming out there under this order was H. H. Berndieke, captain, One hundred and twenty-seventh Infantry; residence 116 May Street, Beaverdam, Wis.; business address, 338 and 340 Broadway, Milwaukee, Wis. Were finally sent from Speedway to Forty-seventh and Drexel hospital.

Are you aware that wounded men are being sent to the Speedway Hospital?

Secretary BAKER. No; I never heard of it.

Mr. BENNET. Would it be too much to ask you to have this statement verified and let the committee know what the facts are?

Secretary BAKER. Where is Mr. Crowell? I will ask him about that.

Mr. BENNET. I think I can assume that we do want our wounded men well treated when they get back. That is not a violent assumption, is it?

Secretary BAKER. I do not think so.

Mr. BENNET. Do you not think it would be doing our duty to our wounded men in a better way, when they got out to that specially constructed hospital that has been very warmly praised as a hospital by Mr. Hare on the stand and approved of as a hospital by Mr. Crowell, if they had been permitted to enter that hospital as a Government hospital in the midst of that 320 acres of land rather than

to have been sent to a reconstruction hospital with no grounds whatever, facing 131 feet upon Drexel Boulevard, Chicago, and 299 feet on Forty-seventh Street, with no opportunity for outdoor recreation such as the Speedway Hospital possesses? Do you not think that we rather failed in our duty in not having that hospital?

Secretary BAKER. No; I do not think so.

Senator HARDWICK. The objection is made that these questions are nearly all argumentative.

Secretary BAKER. It is clearly argumentative, and introduces elements that are not proper.

Mr. BENNET. You appointed a commission consisting of Edwin S. Stevens, Charles Butler, and Mr. Franklin to go over the plans of what are known as the Surgeon General's Office standard hospital plans?

Secretary BAKER. I never did.

Mr. BENNET. Did you not?

Secretary BAKER. I never did.

Mr. BENNET. Was it not appointed by the War Department?

Secretary BAKER. It was appointed by the Assistant Secretary of War in my absence, as I understand it, and I personally did not appoint that commission.

Mr. BENNET. Do you know whether that commission has reported?

Secretary BAKER. I do not.

Mr. BENNET. Would it be possible to ascertain?

Secretary BAKER. Mr. Crowell will know.

Mr. BENNET. May I ask him?

Secretary BAKER. Certainly.

Mr. BENNET. Has that commission been appointed, Mr. Crowell?

Mr. CROWELL. Yes.

Secretary BAKER. You appointed it, did you not?

Mr. CROWELL. Yes.

Mr. BENNET. Was there any reason why the report of that commission on the subject of general plans should not have been sent to this committee for its information?

Secretary BAKER. Not that I know of.

Mr. BENNET. Would it be asking too much to have it sent here?

Secretary BAKER. Certainly not; you can have it.

Mr. BENNET. Thank you very much. I will just ask you if you ever saw this letter of November 27, personally [handing paper to the witness]?

Secretary BAKER. I can not remember. I must have seen it.

Mr. BENNET. I will put that in the record without reading it.

(The letter referred to is here printed in full in the record, as follows:)

MAYWOOD HOSPITAL AT CHICAGO.

WASHINGTON, D. C., November 27, 1918.

HON. NEWTON D. BAKER,

*Secretary of War, Washington, D. C.*

DEAR SIR: Permit me to make the following suggestions for your consideration:

I have just received information from Chicago which shows that only about one-third of the work contemplated at Fort Sheridan, is in progress of construction. I am creditably informed that Maj. Stotesbury's report shows that all we have claimed for the Maywood project is true, and that the same should be utilized by the Government.

Should you conclude to adopt the major's report, then you are in position to do without loss to the Government by completing only the buildings at Fort Sheridan now under way and discontinuing all other work there.

All the material now on hand for the additional buildings which have not been started at Fort Sheridan can readily be disposed of in the Chicago market without material loss, if any. I will gladly aid you in this disposition.

The Fort Sheridan program calls, first, for the conversion of the old brick barracks built about 25 years ago to provide for from 1,500 to 2,000 beds, and second, the construction of about 36 temporary nonfireproof buildings which will provide for an additional 2,500 beds. The Maywood Hospital will furnish at least 3,300 beds, which added to the 2,000 beds in the old barracks, will make a total of 5,300 beds, and this is less, I understand, than will meet the hospital requirements of the Government.

If you will give me the opportunity I will demonstrate to you that the cost per bed of the Maywood structure will be less than the estimated cost per bed of the new buildings not yet started at Fort Sheridan; so that price, location, permanency, and safety, I respectfully submit, seem to be all in favor of the Maywood proposition.

If the foregoing meets with your approval, all questions of equity, claims, and loss sustained by us, will be eliminated.

Respectfully, yours,

EDWARD HINES.

Senator HARDWICK. Gentlemen, I do not think that the Secretary's evidence has touched in any particular way the interests of Mr. Trainer. You know nothing particularly about his connection with this case?

Secretary BAKER. Nothing about it, except what Mr. Hines told me.

Senator HARDWICK. I do not think he told you anything much. There has been some hypothetical supposition here, if so-and-so, and so-and-so, then so-and-so.

Mr. Secretary, there is nothing else touching this matter that you think of that you think the committee ought to have before it?

Secretary BAKER. Nothing that I recall.

Senator HARDWICK. Nothing that you have not mentioned?

Secretary BAKER. Nothing that I recall. If anything else occurs to me, I will be happy to inform you.

Senator FRANCE. Mr. Secretary, we are considering the possibility of supplying this \$10,000,000 by utilizing the various buildings that we have for hospital purposes, particularly for the housing construction work. Can you give us any information as to whether there are any ordnance plants or buildings which might possibly be used for hospital purposes; for instance, the Perryville plant? Would it be available, if it is to be abandoned, for hospital purposes?

Secretary BAKER. Where is that?

Senator FRANCE. The Atlas Village plant, at Perryville, Md.

Secretary BAKER. No; I do not know anything about that.

Senator FRANCE. There is a beautiful little village there, which is to be abandoned.

Secretary BAKER. It is a beautiful little village.

There are 250 cottages at Perryville and a small hospital. The cottages are very nice and located near the water and they would be excellent for reconstruction purposes. As far as the ordnance is concerned, they could be turned over immediately. Manufacturing has stopped and do not intend to operate in the future. It has been designated as one of the plants to be salvaged. (Report by telephone from Maj. Maxwell, Ordnance.)

Senator FRANCE. And the thought occurred to me that it might be utilized for a reconstruction hospital.

Secretary BAKER. It is entirely possible, although our great embarrassment is, now, in the War Department, about the question of storage. The flood of production was just reaching its height, and we are finding it difficult to find storage room for the material. I

think that the hospitals that would be most useful for the sort of things you speak of would be those in connection with some of the National Guard camping sites. There were 16 of them, and very large hospitals were built there, and they may contemplate using them all, but if any of those could be used, they are ideally adapted.

Senator HARDWICK. Do you think we could accomplish it by general language in legislation, leaving the administrative details to the War Department?

Secretary BAKER. Yes; if you will simply indicate your purpose, I will carry it out as sympathetically as I can.

Senator FRANCE. I have in mind particularly the Perryville plant, and the alleged fact that certain shell-shock cases are being treated in Government asylums; and the thought has occurred to some of us that a village like the Atlas village might be used for the rehabilitation of nervous and shell-shock patients, for a special class of treatment. Could you tell us what division of your department has that Perryville plant in charge?

Secretary Baker. The person who would advise you as to whether the organization of special hospitals for shell-shock would be desirable; Mr. Crowell can get for you the information as to whether Perryville would be available to be turned over.

Senator FRANCE. That is what I wanted to get from the War Department. It is quite clear that hospital facilities are needed for that kind of work. Would you furnish us the information as to the Perryville plant?

Mr. CROWELL. I shall be very glad to.

Senator LENROOT. I would like just to ask, now, one question: There is a communication to this committee, I think from the Surgeon General's office, saying that beds in these military hospitals would be available for this reconstruction work. If the committee should come to the conclusion that that was not a practicable thing, to place reconstruction in military hospitals, where it is optional with the patient whether he stays or not, I take it for granted that your department would be glad to cooperate, turning over to the Public Health Service any hospital that was not needed, and you could make other arrangements for the military end?

Secretary BAKER. We would be very glad to do that.

Senator BECKHAM. I suggest, Mr. Chairman, that if counsel for Mr. Trainer wants to ask any questions, he be allowed to do so.

Mr. ADCOCK. I do not want to ask any questions. I understood the Secretary to say that he knew nothing about Mr. Trainer except what Mr. Hines has said.

Secretary BAKER. All I know about it is what Mr. Hines has told me, and what appears in documents that are here; the Inspector General's report.

Senator BECKHAM. Did there reach you or your office in any way that you know of, any protest or complaint from Mr. Trainer about the Speedway hospital and its location?

Secretary BAKER. Never, that I ever heard of. It did not reach me. I never heard of any such thing.

Senator HARDWICK. The committee, Mr. Secretary, will excuse you, with thanks for your attendance.

Secretary BAKER. Thank you, Mr. Chairman.

Mr. BOUVIER. May I call this to your attention, in regard to Col. Starrett? The department has been making very earnest efforts to locate him. We have gotten in telephonic communication with him, and he can be here Sunday night, and if you care to have him do so, will testify on Monday morning.

Senator HARDWICK. We wanted to close this up Monday, if we could, but we will wait until then.

Maj. LORING. He is at Ogden and can not get here until Sunday night.

Mr. BOUVIER. We do not want to ask him to come here unless you will hear him, because he is doing some very important work; but if you will hear him, we will ask him to come.

Senator HARDWICK. I suppose that we had better have him.

Mr. BOUVIER. We shall wire him to come right on.

**TESTIMONY OF ASSISTANT SECRETARY BENEDICT CROWELL—Resumed.**

Senator HARDWICK. Have you any further statement about this matter, Mr. Crowell? I did not hear your testimony the other day. I was unfortunately away. Is there some additional statement you want to make, in addition to what you testified the other day?

Mr. CROWELL. Maj. Loring has asked me to come up and go into a number of matters. Shall I make a statement?

Senator HARDWICK. Let them direct your attention to it, if you want to, in the interest of economizing time.

Maj. LORING. Mr. Bouvier will ask some questions.

Senator HARDWICK. Yes.

Mr. BOUVIER. I just want you to enumerate, with unbroken continuity, the controlling reasons that actuated you in your judgment in the disapproval of the Speedway and your approval of the other project.

Mr. CROWELL. There were two occasions. I wish to state that the decision was made by me in both cases, and not by Mr. Hare. Mr. Hare's duty was to marshal those facts and bring them to me, and that he did, and the actual decision was made by me in both cases, and I alone am responsible.

The first decision came at a time when there were two propositions that were most considered, the Speedway and the Fort Sheridan propositions. The figures showed that the Fort Sheridan proposition would cost \$700 per bed. The figures showed that the Speedway proposition would cost \$1,304 per bed.

Senator HARDWICK. This was the first one?

Mr. CROWELL. Yes; this was the first one. I do not recall that date, but you have it in your record. So that, so far as the figures go, the settlement was easy.

The other principal item was the question of getting these beds. It was necessary not only to let contracts, but to get beds. It has been brought out, I think quite well, that the matter was urgent and, on the other hand, the Fort Sheridan proposition was one that we had many times been carrying through—it was being carried through by our construction department on our estimates, and I had great confidence in the estimates of time and estimates of cost. I felt sure that the project would come through at about the cost of \$700 per



bed, because they had many times duplicated that performance; and consequently, that we would get some of those beds in December, and the others would be completed so that the hospital could be occupied in February. The plans, I am able to say now, were fully carried out. The construction department informs me this morning that the cost at Fort Sheridan will be less than \$700 per bed, which was their estimate. We did take patients in there in December. We have now about 1,000 patients being treated there—over a thousand—and they tell me that the project will be completed during this month.

With the Speedway, of course, it was entirely different. The ability of the Shank Co. to complete on time was not only questioned, but I never believed that they would do it in 90 days. Their past performances had shown nothing to enable us to believe it would be done. They had shown not only an unwillingness to give information about what they had done, but from information which we were able to get, they had never built a building of this size or type, nor had they, according to some reports—although I will say that those reports erred—there was some doubt as to whether they had the organization to go ahead. So that the decision as to the time of completion was a very easy one to make, and it was made by the disapproval of the Speedway and the acceptance of the Fort Sheridan project.

Now, the second time when this was brought up, possibly a month later, the two projects were then, the Fort Sheridan having been approved and authorized, the Speedway and the Field Museum. It then lay between the Speedway Hospital and the Field Museum Hospital, largely, although there were one or two proposals under consideration. The cost of the Speedway had at that time, considering, as I stated, the repurchase clause, been brought down to \$782.90 per bed, the Field Museum figure being \$437.50 per bed, so that so far as the cost went, there again seemed to be no great difficulty in making the decision. The item of making completion was at that time fairly easy. The Speedway had not progressed far. The Field Columbian Museum was under roof, was being plastered, and the floors were going in, and while I will say the times of completion varied widely, no estimate placed the completion of 2,000 beds—it was rather a flexible proposition—at more than two months; and I had no doubt of the ability of the construction division to give us that promptly. With the Speedway, of course, these doubts were the same.

My opinion has always been that if the Speedway proposition were delivered in six or eight months, the Shank Co. would have done well. I think that answers your question.

Mr. BOUVIER. Now will you kindly tell the committee exactly what the duties or functions were of Col. Starrett, and how you cooperated with him or he with you in enterprises of this character, and particularly in relation to any reports or investigations he made of the Speedway?

Mr. CROWELL. Col. Starrett was detailed to the War Industries Board, who had a committee called the committee on emergency construction. Their duties were to keep track of all contractors, and from time to time to recommend to the Construction Division of the Army a contractor for the projects as they were taken up by

the Army. Their records were very complete. They not only kept track of the past performances of the contractors, but of their present ability, considering other work that they had on hand and the organizations that they had at these particular times. Col. Starrett was the head of that committee at this particular time when I sent him to Chicago. When I wanted a man in whom I had full confidence, he was available and was able to go, and was allowed to go by the War Industries Board.

Senator HARDWICK. Is the examination of this witness going to take long, Mr. Bouvier?

Mr. BOUVIER. I think only five or six minutes.

In so far as your knowledge and understanding of his ability and experience is concerned, will you just briefly state your estimate of the man, from what you knew in working with him, or what you had learned before you came in contact with him.

Mr. CROWELL. Col. Starrett?

Mr. BOUVIER. Col. Starrett; yes.

Mr. CROWELL. I had known Col. Starrett for a number of years and had full confidence not only in his ability in all matters of construction, but also in his judgment and character. I considered him, for work of that kind, the best type of a man that could be obtained in this country.

Mr. BOUVIER. And while we are on the element of personal equation, will you state what your judgment of the ability and adaptability of Mr. Hare was?

Mr. CROWELL. My judgment is similar of Mr. Hare. He is a man of the very highest ability and character. I can not state in too high terms my regard for Mr. Hare.

Mr. BOUVIER. Did you have any knowledge in respect to Mr. Trainer?

Mr. CROWELL. At what time?

Mr. BOUVIER. During this period, or anterior to it, or subsequent to it.

Mr. CROWELL. I think my first knowledge of Mr. Trainer was after the armistice was signed, November 11.

Mr. BOUVIER. And will you state what impression he made upon you, and what estimate you formed in your mind of his qualities?

Mr. CROWELL. Mr. Trainer did very important work for the War Department on the real estate board, with which I was in touch during November and December, quite closely, in a number of projects. I have the highest regard for Mr. Trainer in every way, and have the greatest confidence in his character and judgment.

Mr. BOUVIER. Do you remember what has been referred to as the Poppenhusen letter?

Mr. CROWELL. Yes.

Mr. BOUVIER. In respect to an interview?

Mr. CROWELL. Yes.

Mr. BOUVIER. Now, when you were discussing with Mr. Poppenhusen the proposition which was subsequently referred to in a letter, will you state whether you were referring to the first proposition or to the second proposition, in your interview with Mr. Poppenhusen? Do I make myself clear?

Mr. CROWELL. I think I can give you a clear answer. In my interview with him we referred as I recall it, to both propositions, a

letter from him after the interview called attention to certain matters which I corrected by a letter to him, and that letter referred to the first proposition made by the Shank Co., and the letter so states.

Mr. BOUVIER. Did you, either directly or colorably or otherwise, ever give any promise or assurance to Mr. Hines or to Mr. Shank or to any of their representatives that this contract would receive your approval?

Mr. CROWELL. Never.

Mr. BOUVIER. That is all, sir.

Senator HARDWICK. Is there anything else?

Mr. ADCOCK. May I inquire of the Secretary?

Senator HARDWICK. Yes.

Mr. ADCOCK. Did you ever see any report or hear of anything said by Mr. Trainer that he was against the Speedway project; against its going through?

Mr. CROWELL. No.

Mr. ADCOCK. That is all.

Mr. BENNET. You just think that this letter of November 27, which you signed, referred to the first proposition, and it is so stated in the letter?

Mr. CROWELL. Yes.

Mr. BENNET. Are you correct in that, except—

Mr. CROWELL. I am speaking from memory, of course. If you have the letter I would be glad to glance at it.

Mr. BENNET. Under the original project the cost amounted to \$3,410, or for 2,500 beds it was \$3,164. That was what you had in mind?

Mr. BOUVIER. Show him the letter.

Mr. CROWELL (after examining letter). Yes; it starts in with the paragraph beginning, "In the original proposition."

Mr. BENNET. That is the language you had in mind? That refers to the original proposition?

Mr. CROWELL. Yes; but of course the context with the earlier facts in the letter show that.

Mr. BENNET. Some of the facts refer to the first proposition and some of the facts refer to the second proposition, do they not?

Mr. CROWELL. Not as to the cost, I think.

Mr. BENNET. I am not talking about the cost. I am talking about the whole letter.

Mr. CROWELL. The second paragraph begins, "Under the original proposition the cost of the Speedway," etc.

Mr. BENNET. Yes.

Mr. CROWELL. The third paragraph begins, "When the original proposition submitted by Shank & Co. was declined." I think that is very clear.

Mr. BENNET. How about the one about the medical adviser?

Mr. CROWELL. Where is that, "the medical adviser"?

Mr. BENNET. That is on the medical staff.

Mr. CROWELL. You mean the statement that the medical staff is correct. That may be either. I do not recollect.

Mr. BENNET. And inasmuch as Mr. Hare on the stand fixed the date of this conversation with Gen. Noble as October 3, and inasmuch as the only adverse statement is the statement of Dr. Hornsby of October 26, and inasmuch as you have not furnished the committee, so far as

counsel is aware, the names of any other medical authorities that disapproved it, that portion of the letter referred to is subsequent to the 26th of September and related to the second proposition, did it not?

Mr. CROWELL. No. The Gen. Noble report, as I recall it, referred to the first proposition.

Mr. BENNET. Gen. Noble's statement to Mr. Hare was on October 3. Your rejection was on September 26. A statement to Mr. Hare on October 3 could not have influenced the rejection of September 26, could it?

Mr. CROWELL. I think Gen. Noble's statement was made before the first disapproval.

Mr. BENNET. You are in error.

Mr. CROWELL. I am not in error.

Mr. BENNET. October 3, was it not?

Mr. HARE. My conversation with Gen. Noble over the telephone was after the disapproval of the first proposition and in Mr. Crowell's mind—

Mr. BENNET. I am not asking you for the operations of Mr. Crowell's mind.

Mr. HARE. May I simply make this further statement—

Mr. BENNET. Not in my time. I have had too much experience with your statements. They are too long. The committee has directed me to get through with this witness before recess.

The first disapproval was September 26. This letter is dated October 3. It does refer to the second proposition, does it not?

Mr. CROWELL. I have already stated that in the conversation both disapprovals were mentioned, and it specifically states there that the figures relate to the original disapproval.

Mr. BENNET. Unquestionably. Now, on the 26th of September, after the testimony here, the demand in the Chicago district was for 12,000 beds, sometimes stated as 10,000 beds. You are familiar with those figures, are you not?

Mr. CROWELL. Well, I was at the time.

Mr. BENNET. You were then?

Mr. CROWELL. Undoubtedly. I should have said it was 10,000 beds.

Mr. BENNET. The other figure is Col. Northington's statement?

Mr. CROWELL. Yes.

Mr. BENNET. Fort Sheridan, on September 27, was relied on for 4,000 beds.

Mr. CROWELL. Five thousand.

Mr. BENNET. It is 4,000 here. [Indicating paper.]

Mr. CROWELL. It is 5,000 here. [Indicating another paper.] It is a 5,000-bed project.

Mr. BENNET. Now?

Mr. CROWELL. Yes.

Mr. BENNET. But in the memorandum to the Surgeon General's department on September 27, which is in evidence, it is stated that it is a 4,000-bed proposition. You are familiar with that fact, are you not?

Mr. CROWELL. No; my recollection is that it was 5,000.

Mr. BENNET. Let us call it 5,000, although the only paper in evidence shows 4,000.

Now, what other hospital project had on the 25th of September been recommended by the construction division, recommended by the

Surgeon General's Office, recommended by the director of operations for the Chicago district in addition to the Fort Sheridan proposition, except the Speedway, if any?

Mr. CROWELL. At that time the Cooper Monotah hotel was—I will not say that it had been accepted by all those, but we considered that it was an available hospital.

Mr. BENNET. Let us take in the Cooper Monotah. That was 600 beds.

Mr. CROWELL. Yes, sir; 600 beds.

Mr. BENNET. So that all that you had to any extent was the Fort Sheridan at 5,000—to take your extreme figure—and the Cooper Monotah at 600, making a total of 5,600?

Mr. CROWELL. Yes.

Mr. BENNET. And the Speedway, which we describe as 4,000 and you describe as 2,500; and all those put together do not make 10,000 beds, do they?

Mr. CROWELL. At what time was this?

Mr. BENNET. September 26.

Mr. CROWELL. Of course the Field Columbian Museum was then being negotiated for, and also two others in the parks, both of which had large capacities. With either one of them we would have completed the 10,000 beds.

Mr. BENNET. But you stated on your direct examination that the two most seriously being considered were the Speedway and Fort Sheridan.

Mr. CROWELL. Yes; they were the only two at that time that were in shape to be considered.

Mr. BENNET. Those two put together made only 7,500 beds?

Mr. CROWELL. Yes, the two together made 7,500 beds.

Mr. BENNET. Really, when the demand was for 10,000 beds, those were not, properly speaking, competitive projects at all?

Mr. CROWELL. Yes; they were.

Mr. BENNET. Speaking solely, now, from the standpoint of the number of beds required, leaving out the question of price and everything of that sort?

Mr. CROWELL. Of course I never considered it, leaving out all those other things.

Mr. BENNET. There were two elements, you stated?

Mr. CROWELL. Two principal elements, of which, of course, the price was the larger.

Mr. BENNET. Leaving out for the moment the question of price, the Fort Sheridan and Speedway propositions were not competitive in any sense?

Mr. BOUVIER. In what?

Mr. BENNET. In competition, because both would have been required to make up the total of 10,000 beds, which at that time it was assumed were needed.

Mr. CROWELL. No; I do not agree with that. The others were in process of negotiation—the Field Museum and two others in the parks that you mentioned.

Mr. BENNET. If I tell you the history of the two others in the parks, will you verify the accuracy of my statement? I am only a layman, of course. The two others were the Jarvis Hunt hospitals,

which never reached further than a criticism from the Surgeon General's office, and had not reached that point on the 26th of September?

Mr. CROWELL. They were considered live prospects at that time.

Mr. BENNET. By whom?

Mr. CROWELL. By me.

Mr. BENNET. Who gave you the information that they were live prospects?

Mr. CROWELL. I do not know.

Mr. BENNET. Do you know that the Surgeon General's office had never done anything with them except criticize the sites?

Mr. CROWELL. No; I do not.

Mr. BENNET. That the Construction Division had never approved them?

Mr. CROWELL. No; I do not.

Mr. BENNET. Those facts you did not know?

Mr. CROWELL. No. I do not think it would have made much difference, though, because the plan of a hospital can readily be changed. Because his particular plan was not acceptable, that would not have thrown them out by any means.

Mr. BENNET. Do you know what the cost was of that hospital?

Mr. CROWELL. His statement when he was considering this showed a very low cost. What his final cost showed I do not know, because the thing finally was never brought to me.

Mr. BENNET. His statement to whom? He never saw you but once?

Mr. CROWELL. Yes; he saw me more than once. I do not recall to whom.

Mr. BENNET. You do not recall to whom the statement was made?

Mr. CROWELL. No, sir.

Mr. BENNET. You do not really have any distinct recollection about the Jarvis Hunt proposition?

Mr. CROWELL. No; I have so stated.

Mr. BENNET. So that on the 26th of September they were in an entirely nebulous condition?

Mr. CROWELL. I think they were prospects.

Mr. BENNET. Mere prospects?

Mr. CROWELL. Yes.

Mr. BENNET. Whereas the Speedway hospital was a building they had under construction, which had been approved by the Surgeon General's office, by the Construction Division, and had been under construction since the 1st of September?

Mr. CROWELL. Yes.

Mr. BENNET. Now you criticized Mr. Shank—gently criticized him—with his contractors?

Mr. CROWELL. We contractors are liable to criticize each other.

Mr. BENNET. Yes. What large construction work had Mr. Sollitt done of a large character, at that time?

Mr. CROWELL. I do not know.

Mr. BENNET. What other construction work had he done, do you know?

Mr. CROWELL. No, sir.

Mr. BENNET. Did you ever hear of him before?

Mr. CROWELL. No. I will have to qualify that. I probably approved him. These contractors are first picked out by the War Industries Board through the Emergency Construction Committee.

That recommendation then goes to the Construction Division, and it then comes to me for approval. If the two agree on the contractor, I always approve it; so that I probably had approved of this contractor.

Mr. BENNET. But you do not regard your approval in that case of a formal or perfunctory character? It was based on real judgment at that time?

Mr. CROWELL. Not my judgment.

Mr. BENNET. You took their judgment?

Mr. CROWELL. In the case of selecting contractors, I have always taken the combined judgment from the War Industries Board and the Construction Division, and made no further investigation in my own office.

Mr. BENNET. Was it brought to your attention by anyone that one of the reasons why it was believed by everyone that the Shank Co. could construct this Speedway hospital rapidly was that they had just finished the construction of four warehouses which were leased to the Government, which warehouses had cost in the neighborhood of a million dollars, and were large structures, and that they had their organization all ready to take right out to the Speedway Park and start in?

Mr. CROWELL. Yes.

Mr. BENNET. So that you did know that the Shank Co. had completed, not only satisfactorily, but ahead of the contract time—

Mr. CROWELL. No; I did not know that.

Mr. BENNET. Did you make any inquiries as to how they had performed their duties in relation to this warehouse proposition?

Mr. CROWELL. I instructed both the Construction Division and the Committee on Emergency Construction to investigate the Shank Co. and tell me what their opinion was. The opinion of both of them was that they would not entrust a project of this size to the Shank Co.

Mr. BENNET. But the Construction Division approved the Shank Co. and drew a contract for them to sign, which was filed in the office of the Construction Division.

Mr. CROWELL. Yes. Their statement was as I stated.

Mr. BENNET. Did you give any weight to the fact that the Shank Co. proposed to give a bond of a million and a quarter to complete within the time specified?

Mr. CROWELL. I knew that they proposed to give a bond.

Mr. BENNET. Did you give any weight to that?

Mr. CROWELL. Of course. I wish to say, though, that I never believed for a minute that under the contract anything could ever have been collected by the Government for failure to complete on time, simply because the plans were drawn so hurriedly that I knew the contract would be full of what we call extras; that is, changes in the plans would be necessary. They always are when plans are drawn in a great hurry. Those extras, of course, can always be used by the contractor to obtain payments of that kind.

Mr. BENNET. That is rather a criticism of Maj. O'Brien, who drew the contract.

Mr. CROWELL. I was not aware that Maj. O'Brien drew the contract.

Mr. BENNET. And of the Construction Division of the Surgeon General's office which approved it.

Mr. CROWELL. I think that is a perfectly well-known fact. I am perfectly willing to criticize them to that extent.

Mr. BENNET. So that your estimate was at that time based on what you have said, that they could not comply with the contract?

Mr. CROWELL. That is my judgment to-day, so far as time went.

Mr. BENNET. So far as completing the building within 100 days was concerned?

Mr. CROWELL. Yes.

Mr. BENNET. And, at any rate, you did not consider as controlling the fact that they gave this bond, for the reasons that you have given?

Mr. CROWELL. No; it is quite customary to give bonds in the contracting business.

Mr. BENNET. And sometimes they collect on them, too?

Mr. CROWELL. I have never heard of collecting on them.

Mr. BENNET. You do not want to take the position that the giving of these bonds to the Government is a more useless formality, and known to be such when the contracts are made with the Government?

Mr. CROWELL. Yes; that is my judgment, and I have more than once expressed it. In all my contracting experience I have never heard of a case where a client was able to collect on a bond.

Mr. BENNET. Does the fact that without priority orders, without assistance from the Government in any way, the Shank Co. has been able in the time that has elapsed since the 3d of September to bring that building to the state of completion in which you have seen it in these pictures, alter in any way the judgment that you formed on the 26th of September, 1918?

Mr. CROWELL. Quite to the contrary; it confirms it.

Mr. BENNET. Do you know the fact that the roof is on, that the four sides are up, and the floors are in?

Mr. CROWELL. I doubt if any construction man, seeing the photographs that have been submitted here, would say that it was more than 50 per cent completed; and they have been five months constructing the building.

Mr. BENNET. Does the fact that there were no priority orders, and latterly, with the exception that their building would not be accepted by the Government, does the fact that the Chamberlain Commission reported on the 23d of September that in their judgment the hospital could be completed in 45 days, change your judgment in any way? That included Gen. Marshall, the Chief of the Construction Division.

Mr. CROWELL. No; I think not.

Mr. BENNET. You think he is wrong, too?

Mr. CROWELL. I think he was, if he made that statement.

Mr. BENNET. That is all.

Mr. ADCOCK. Is there any way that you can imagine that Mr. Trainer could have any effect upon the policy of your office.

Senator HARDWICK. Do not put it in that way.

Mr. ADCOCK (continuing). In determining that you should have more beds at Fort Sheridan?

Senator HARDWICK. Do not put it that way. Ask him in what way, if any.

Mr. ADCOCK. In what way, if any, could his advice be asked as to the number of beds at Fort Sheridan?

I merely asked that because Mr. Hines said that he believed that Mr. Trainer had in some way affected the policy at Fort Sheridan.

(The witness was excused, and at 1.15 o'clock p. m. the committee took a recess until 2 o'clock p. m.)



## AFTERNOON SESSION.

The subcommittee met at 2.10 o'clock p. m., pursuant to the taking of the recess.

Senator HARDWICK. We will proceed. The other members will be up soon, and they will read the record.

**TESTIMONY OF MR. J. MILTON TRAINER—Resumed.**

Senator HARDWICK. I believe when the Secretary came in we had turned him over for cross-examination.

Mr. ADCOCK. Mr. Bennet had just started.

Senator HARDWICK. Proceed. Be as brief as you can.

Senator BECKHAM. Yes, we know in the practice of law the temptation. As much as possible leave out argumentative questions.

Senator HARDWICK. Prove the naked fact.

Mr. BENNET. In asking questions, ask for facts?

Senator BECKHAM. We would not say anything, except that we are so busy.

Mr. BENNET. Mr. Trainer, I think I had interrogated you before we were interrupted by the Secretary this morning, in relation to a meeting which Messrs. Shank and Foster stated had occurred in their office, the date that they fix as about the 27th of June, 1918. Do you recall that that had been under discussion?

Mr. TRAINER. Yes, you had asked me to fix that.

Mr. BENNET. Your testimony was given rather rapidly yesterday, and there is not any clear impression left on my mind as to when you first saw Mr. Foster.

Mr. TRAINER. The first time that I ever saw Mr. Foster or Mr. Shank was in the office of Shank & Co., between the 5th of June and, I should say, about the 9th or 11th of June, 1918.

Mr. BENNET. At this meeting at which you stated that yourself and Mr. Clark and Mr. Foster and Mr. Shank were present?

Mr. TRAINER. Yes, sir. I only know that I introduced myself to them and stated the subject of my call.

Mr. BENNET. Now, coming to the meetings which have been testified to, which occurred in the office of Newman, Poppenhusen, Stern & Johnston. Mr. Newman's office in Chicago, that is rather a large office, or suite, I mean?

Mr. TRAINER. I should say it is.

Mr. BENNET. Ten or twelve rooms?

Mr. TRAINER. I never have been in but two, so that I do not know how many more there are. There is a corridor after you enter into the reception room, extending off the reception room to Mr. Poppenhusen's and to Mr. Newman's office, which is, I think, at the end of that corridor.

Mr. BENNET. If I stated that it was a rather large and busy law office in June, 1918, would I be stating anything incorrect?

Mr. TRAINER. I have no familiarity with it.

Mr. BENNET. I understood you to say that the only two times you ever were in that office was on the 25th of June and the 2d of July, 1918?

Mr. TRAINER. You are right.

Mr. BENNET. And my recollection was that you stated that those present at the meeting of June 25 were yourself, Mr. Clark, Mr. Hodge, Mr. Shank, and Mr. Poppenhusen, and to some extent, Mr. Newman?

Mr. TRAINER. Yes, Mr. Newman came in just as the conversation started.

Mr. BENNET. Did he stay there all the time?

Mr. TRAINER. I think he did. It is my recollection that he did.

Mr. BENNET. Are you sure that those were all the persons who were there?

Mr. TRAINER. I am quite certain. There may have been some one of Mr. Poppenhusen's force who came in, passing in and out.

Mr. BENNET. I did not mean that.

Mr. TRAINER. Those were the ones that met there that day.

Mr. BENNET. The ones who participated?

Mr. TRAINER. Yes.

Mr. BENNET. Did you ever meet an architect in Chicago by the name of H. B. Wheelock?

Mr. TRAINER. Yes, sir; known him some time. I have known him for most of my business—

Senator HARDWICK (interposing). That is all right; he knows him.

Mr. BENNET. Was he present that afternoon on the 25th of June?

Mr. TRAINER. No, he was present July 2.

Mr. BENNET. But not on June 25?

Mr. TRAINER. He was not.

Mr. BENNET. Now, as I gathered from your testimony yesterday, the meeting of June 25 must have been very brief. If I am wrong, correct me.

Mr. TRAINER. I do not know how long it lasted. The subject matter was discussed, and when finished I left the office.

Mr. BENNET. What was the subject matter?

Mr. TRAINER. The subject matter. When we went into the office Mr. Hodge introduced me and Mr. Clark to Mr. Poppenhusen. Mr. Shank was then present in Mr. Poppenhusen's office. Mr. Hodge and Mr. Poppenhusen discussed something about a golf game that they had played some time before. I did not follow it closely.

Mr. BENNET. Did that discussion take very long?

Mr. TRAINER. A few minutes.

Mr. BENNET. Then what was the next subject taken up?

Mr. TRAINER. Mr. Newman came into the office as that was being closed, and Mr. Shank then said to Mr. Poppenhusen, "I asked you to ask Mr. Shank and Mr. Hodge to come here, as I believe they can help us sell the Speedway. I have been trying to convince Mr. Hodge that it is a desirable storage plant and would be suitable for the quartermaster's stores, but he can not see it. I understand Mr. Trainer is going into the service and going to have charge of hospitals, and I am willing to pay them a commission if they will help me sell the Speedway." That is Mr. Shank's statement; words to that effect.

Mr. BENNET. Then, in order to save time, if I recall your testimony correctly, you said incidentally, as I think I recall it, that you were in the Government service and could not accept any compensation, and Mr. Hodge said something of the same sort?

Mr. TRAINER. No, I did not say that.

Mr. BENNET. Just what did happen?

Mr. TRAINER. I addressed myself to Mr. Poppenhusen and Mr. Shank and said that I could not undertake to sell their property or anybody else's property to the Government; that I was contemplating going into the Government service and I would not undertake to sell property to the Government while so engaged. Mr. Hodge then followed with a similar statement in which he stated that he was in the Government service, so that it would not be possible for him to sell their property; that he was glad to aid them in any way that he could aid them, but it would not be possible for them to employ him or pay him a commission or for him to receive a commission. And he further described the contracts of the Government, which was all new to me, that the leases and contracts contained a provision that no commission or compensation could be paid to anyone in the service of the Government and described an Executive order that I later became familiar with after I entered the department.

Mr. BENNET. Did that conclude the conversation?

Mr. TRAINER. No. Mr. Newman at that said, "You are right," addressing myself and Mr. Hodge; "You are right, and I am sorry the subject has been mentioned. I think that there is a statute that provides or prevents commissions being paid."

Senator HARDWICK. He is just going over again.

Mr. BENNET. I am finding out—

Senator HARDWICK (interposing). I guess it is material.

Mr. BENNET. We have had Mr. Newman's statement. Was anything else said, or did you immediately leave?

Mr. TRAINER. Mr. Newman asked me, in the event the Speedway project came before me for consideration in the department, what would be my action toward it, as I testified yesterday.

Mr. BENNET. And when you had answered as you testified yesterday—I will not ask you to repeat that—did that terminate the conversation?

Mr. TRAINER. Shortly after that we left the office. I remember saying that I wanted to be understood, and Mr. Newman said that he would not permit Mr. Hines to have anything to do with the thing; that it was wrong. He made that statement. When I left the office my mind was satisfied and I thought their's was thoroughly satisfied, of Mr. Hodge's and my position.

Mr. BENNET. Now, Mr. Trainer, Mr. Poppenhusen and Mr. Shank have testified under oath that Mr. Wheelock was there at that meeting of June 25; that the plans of the speedway were there and the plans and sketches of a proposed new hospital were there; and that those plans were submitted to you and that the plans of the new proposed hospital building were discussed. You heard that testimony?

Mr. TRAINER. I do not recall, but if the time that they testified to was July 2, they were right. Mr. Wheelock was there on July 2, and the plans of the hospital which they had theretofore presented to the Government were there and were shown to me on July 2.

Mr. BENNET. If they testified under oath that the plans were there at the meeting of the 25th of June, that they were gone over in some detail and exhibited to you, and the matter of the plans of the proposed hospital were discussed, is it your testimony now that they are both mistaken?

Mr. ADcock. Is that fair?

Mr. BENNET. It is very fair cross-examination.

Mr. ADCOCK. You are determining the credibility of the witness. Senator HARDWICK. I think in court it would be allowed. You are asking his conclusion.

Mr. BENNET. Did that occurrence so testified to happen at the meeting of June 25, 1918?

Mr. TRAINER. It did not. It did on July 2.

Mr. BENNET. I am coming to that. Now, in order to save the time of the committee, I will see if I can state who were present at the meeting of July 2, and you correct me if I am wrong. You testified that there were present Mr. Shank, Mr. Foster, Mr. Newman, Mr. Poppenhusen, Mr. Erskine, yourself, and Mr. Hodge and Mr. Wheelock.

Mr. TRAINER. I think that is correct.

Senator HARDWICK. Now, Mr. Bennet, I want to give you the broadest possible latitude, but take this meeting of July 2. There is no pretension made that there is anything material in that meeting that bears on the question as to whether he tried to get a bribe or not. Do you not think it is fairly immaterial who was there, and what was said, if they discussed hospitals in a general way? Is there any evidence in the case that makes it material?

Mr. BENNET. I think I can dismiss it in one or two questions. It is not one of the vital meetings, except that I thought yesterday if you described it as a brief meeting you were mistaken.

Mr. TRAINER. No; that was the meeting with Mr. Newman.

Senator HARDWICK. It would not matter whether brief or long. That was a general debate about hospitals.

Mr. TRAINER. And the plan was presented—

Senator HARDWICK (interposing). The only thing you get out of that is the fact he was still in conference about hospital matters and what the apparent relations were between the parties.

Mr. BENNET. That is the fact, that on the 2d of July, 1918, this conference did relate to hospitals, and the Speedway Hospital in particular?

Mr. TRAINER. Yes, sir; as I stated, the meeting—they were particularly desirous of having the State and the Armour funds available for the Speedway Hospital.

Senator HARDWICK. After these people talked about commissions, and you told them you would not take any from any individual on earth, and Mr. Newman told you that it was against the law, and you knew you could not make anything out of it, what were you doing having another meeting with them about this hospital?

Mr. TRAINER. He did not make his statement that way. Mr. Shank offered the commission to Mr. Hodge and myself, but we had made our statements as I have testified to. Mr. Newman in replying to Mr. Hodge's statement that all Government contracts contained a provision that he was in the service, and he further stated that an Executive order would invalidate the contract. Mr. Newman then said that there was a provision of the statute—

Senator HARDWICK (interposing). I am not worried about that.

Mr. TRAINER. The next meeting I was called back, and did not know what I was called for until I met Mr. Erskine, and I always supposed—I did then, and I have since—that it was to meet Mr. Erskine, who might convince me that the Armour fund and the State fund would be available to develop a hospital on the Speedway

property, and I stated to them then that I had presented that to Mr. Armour and the governor and Mr. Thorne, and they had stated that it was too far out and they could not utilize it.

Senator BECKHAM. Mr. Erskine was at this 2d of July meeting?

Mr. TRAINER. That was the first time I ever met him. I was presented to him then.

Senator BECKHAM. Mr. Shank was there?

Mr. TRAINER. Yes.

Senator BECKHAM. Mr. Foster?

Mr. TRAINER. And the architect, Mr. Wheelock, with his client.

Senator BECKHAM. There was nothing at that meeting said about any commission?

Mr. TRAINER. Not a word.

Mr. BENNET. And that was the first time that you had ever seen the plans of this proposed new Speedway Hospital?

Mr. TRAINER. It was.

Mr. ADCOCK. Just a suggestion. I think that Mr. Newman thought that there was one meeting in their office in which there was no conversation about plans. They fixed the date as of a different time.

Senator HARDWICK. There was another meeting, they testified, and at that subsequent meeting, probably the next meeting, Mr. Clark returned alone and said that if Mr. Trainer could not take the commission there was no reason why he could not. That was their testimony.

Mr. ADCOCK. That was Mr. Newman's statement.

Senator HARDWICK. Yes.

Mr. BENNET. Mr. Newman and Mr. Poppenhusen have testified here that there were three meetings—a meeting on June 25, a meeting on July 2, and a meeting which they fixed as having occurred sometime between the 27th of June and the 2d of July.

Senator HARDWICK. I do not remember the evidence that way.

Mr. BENNET. Oh, yes.

Senator HARDWICK. Where Mr. Trainer was present?

Mr. BENNET. Yes.

Mr. ADCOCK. If I may make the suggestion, the counsel would get along better if he would not assume what those people testified to.

Senator HARDWICK. I think probably the Chair is responsible for that, by having stated that there were two, and counsel is trying to set me right. He may be right.

Mr. ADCOCK. I think he stated that Mr. Newman and Mr. Poppenhusen testified, whereas he could not place the meeting at all.

Senator HARDWICK. I may be wrong.

Mr. BENNET. I am referring to the testimony of Mr. Newman. If Mr. Newman has testified to a meeting which occurred as he fixed the date sometime between June 27 and July 2, is it your testimony that no such meeting in his office took place?

Senator HARDWICK. At which he was present.

Mr. BENNET (continuing). At which you were present? Is it your testimony that no such meeting ever took place?

Mr. TRAINER. I never had but two meetings with Mr. Newman, one the 25th of June and one July 2. I never was in his office at any other time prior or since.

Mr. ADCOCK. When you say the 27th, that is the day he played this golf game?

Mr. BENNET. Yes, surely.

Senator HARDWICK. I think there was some difference as to when this first meeting took place.

Mr. BENNET. This was the second meeting. If I recall it, Mr. Newman's testimony was that there was a meeting on June 25, of which he has no recollection except that it appears as a charge on his books.

Senator HARDWICK. He did not tell us anything about the meeting, but said that he thought he must be mistaken about that.

Mr. BENNET. The meeting of June 27, at which the talk in connection with commissions took place, and the meeting of July 2, at which—

Senator HARDWICK (interposing). I do recall what you mean. He said that there was an entry on his books which he said he could not understand—could not recall—which said that there had been a meeting on June 25, at which Mr. Trainer had been present, and then he testified that there was another meeting between June 25 and July 2.

Mr. ADCOCK. And he placed it after this golf game.

Mr. BENNET. He merely identifies it as having occurred on the 27th.

Mr. ADCOCK. You have Mr. Hines's telephone bill here in order to establish it.

Mr. BENNET. Sure. It is in the record.

Now, my inquiry is, if you were not present at a meeting between the 25th of June and the 2d of July at which Mr. Newman first asked you whether you requested a commission in the sum of \$100,000 in connection with this Speedway project, and you said that you did, or words to that effect, and that Mr. Newman did not then say to you that no commissions would be paid, that it would be impossible to pay commissions; if he did not call attention to the statute and say that it would be a penitentiary offense for anyone then in the Government service, as he understood you were, to receive commissions in connection with the sale of any property to the Government—did that happen?

Mr. ADCOCK. I do not see how that question could be answered by anyone. There are a number of different things.

Senator HARDWICK. Let the witness answer in his own way. It has a whole lot of elements.

Mr. BENNET. If he wants it separated, I can do so.

Mr. TRAINER. No such statement was ever made by Mr. Newman or any other man, and the first time I ever heard it was in this room, when Mr. Newman testified, and when I read your testimony in this case.

Mr. ADCOCK. You say "testimony." You mean "statement."

Senator HARDWICK. Merely the statement of what he expected to prove. He was establishing a basis.

Mr. ADCOCK. He did not vouch for the truth.

Senator HARDWICK. Not at all. He stated what he expected to show by the witnesses.

Mr. BENNET. Now, there was but one meeting, as I recall your testimony, at which Mr. Wallis Clark was present when you were present in Mr. Newman's office?

Mr. TRAINER. Just one, June 25, 1918.

Mr. BENNET. Mr. Clark was examined by Maj. Stotesbury. You are familiar with that fact?

Mr. TRAINER. Yes; I have heard that he was.

Senator BECKHAM. Let me see. Who is Mr. Wallis Clark?

Mr. TRAINER. My business partner.

Mr. BENNET. And you have read his testimony?

Mr. TRAINER. I have.

Mr. BENNET. Now, Mr. Clark said concerning this meeting:

Q. Who was there at that time, as you recall it?—A. Mr. Trainer, Mr. Hodge, and Mr. Newman, as I remember (p. 258).

Q. Mr. Erskine there?—A. No.

Q. Mr. Shank?—A. No.

And your recollection differs from Mr. Clark's to the extent of testifying that it is only one meeting at which you were present, both of you, and Mr. Clark and Mr. Shank were there, and that there was one meeting?

Mr. TRAINER. I very distinctly recall Mr. Shank being present there at that time, because he was the man who made the proposal to Mr. Hodge and me.

Mr. BENNET. And that testimony on the part of Mr. Clark, your partner, is at least not accurate in recollection?

Mr. TRAINER. I will state that Mr. Clark was not concerned with the business there. He was there just by chance, and what his recollections were he can best tell you.

Mr. BENNET. And he has told Mr. Stotesbury in this examination to which I refer.

Now, do you not consider it rather strange that at the meeting as to which you have just testified the predominant subject that was discussed was Mr. Shank's offer to you and Mr. Hodge—that you be compensated if you helped to sell the Speedway, that your real estate partner would not recall that Mr. Shank was present at the meeting where you say Mr. Shank made that offer?

Mr. TRAINER. Well, you will have to ask Mr. Clark, Mr. Bennet.

Mr. BENNET. That is the only answer you have got on that?

Mr. TRAINER. Because I can not possibly tell you what his mental processes were.

Mr. BENNET. I was not asking for mental processes.

Senator BECKHAM. That is argument.

Mr. BENNET. All right. I understand you to deny in toto the conversation alleged to have been had between yourself and Mr. Newman on the date fixed by him as between the 27th of June, 1918, and the 2d of July, and to state specifically that no meeting whatever took place in his office at that time at which you were present?

Mr. TRAINER. I do, sir. I had no meeting with Jacob Newman at any time except on June 25 and July 2, the ones I have described here in my testimony.

Mr. BENNET. I will not bother to read you the details of that, because if you deny that the meetings took place you naturally do not have the details. Did Mr. Clark ever state to you after any meeting in Mr. Newman's office at which you and he were present, at which the subject of commissions was discussed, that Mr. Clark went back to Mr. Newman and stated to Mr. Newman, "I am not in the Government service. If Mr. Trainer can not accept the commission, why can it not be paid to me?"

Mr. TRAINER. Now, I had no knowledge of Mr. Wallis Clark making any such statement to me, and I would stake my life that he was never there. I have been associated with him for 30 years.

Mr. BENNET. I am trying to keep within bounds. His answer was that he said that no such meeting as I have described was held?

Mr. TRAINER. He has never described any such meeting as that to me.

Mr. BENNET. You heard Mr. Newman's testimony?

Mr. TRAINER. I did.

Mr. BENNET. And read or heard Mr. Poppenhusen's testimony on that subject?

Mr. TRAINER. Yes; I think I recollect it.

Mr. BENNET. Now, this suggestion in relation to commissions was made after you had done some work for the Government, was it not, the Hot Springs work?

Mr. TRAINER. No; I had gone to Hot Springs, Ark., in June, at the request of Mr. Hodge. I went into the service of the Government, as I recall, on the 14th of July.

Senator HARDWICK. What do you mean—that you had taken this special job for the Government?

Mr. TRAINER. But I was available and was attempting to get my business affairs in shape for the purpose of going into the department, and went in as soon as I could do so and they were ready for me.

Mr. BENNET. And you were contemplating going into the Government service at the time of the meeting?

Mr. TRAINER. I was, if they required me, and I learned on the 10th or 11th of July that they wanted me to come, and I went.

Mr. BENNET. You did not think it entirely proper that Mr. Shank should offer commissions, not only to yourself who was not in the Government service, but to Mr. Hodge, who was, did you?

Mr. TRAINER. I took no exception to Mr. Shank's statement. I thought he was honest in his statement, and I gave him credit for thinking that he was honest, and that Mr. Hodge was, and that he was not trying to bribe us or corrupt us, because he thought we were going, or I was going, into the Government service. I gave no thought to the matter at all.

Mr. BENNET. But you knew that at the time he knew that Mr. Hodge was in the Government service, and that you contemplated going into the Government service?

Mr. TRAINER. I knew that he knew that Mr. Hodge was in the Government service, because he immediately recognized, when Mr. Hodge called his attention to the fact, that he had been in the service, and that he could not do anything for him.

Mr. BENNET. Did this Speedway project continue to be pressed in Washington, and did you have general knowledge—I am not stating a particular knowledge—in July and August that this project was before the various departments for consideration, and that Mr. Shank's ideas were accepted for adoption?

Mr. TRAINER. No. The department sent me to Toledo, Ohio, Grand Rapids, Mich., on the 16th day of July, and I did not return until about the 14th of August, when they immediately sent me again on the 19th of August, and I returned about the 2d of September, and they sent me away on the 10th of September, and I returned



on the 9th of November, so I had very little knowledge of the subject matter you are discussing.

Mr. BENNET. You were in Washington a part of the time?

Mr. TRAINER. I was here from time to time, making my reports and getting my instructions for new matters, and going out in the field again.

Mr. BENNET. Did you not think it a part of your duty as a zealous servant of the Government to warn those who were considering this Speedway project that Mr. Shank had made an offer of commission to a man in the service, Mr. Hodge?

Mr. TRAINER. No; because they could not affect Mr. Hodge if they offered him all kinds of commissions.

Mr. BENNET. I had this thought in mind. I do not think you got my thought, that if Mr. Shank would offer a commission to yourself and Mr. Hodge, who, according to your statement, had refused it, he might be able to reach some member of the Government who was more corruptible at that——

Mr. TRAINER (interposing). That is still always possible.

Mr. BENNET (continuing). Possibly it was your duty to warn those in charge of the kind of man Mr. Shank was?

Mr. TRAINER. No; that would not be my understanding of Mr. George Shank.

Mr. BENNET. At any rate, you did not warn them?

Mr. TRAINER. I did not. I did not think it was necessary, and I thought nothing about it.

Mr. BENNET. When and how was it that you first mentioned this Hodge incident, of this offer on the part of Mr. Shank?

Mr. TRAINER. I think to Mr. Samuel Hodge, and Maj. James S. Holden, the chief of the real estate section, when I returned in November, about the 9th or 10th of November. I had been advised that an investigation was being made of the Speedway project and of my connection with it. I then advised them, and advised Mr. C. W. Hare of my desire to be heard, and explained the subject matter, my testimony here, as of the June meeting with Mr. Hodge and Mr. Newman and Mr. Poppenhusen and Mr. Shank.

Mr. BENNET. What was that date, did you say?

Mr. TRAINER. About the 9th or 10th of November.

Mr. BENNET. And where had you returned from at that time?

Mr. TRAINER. I had been out on the hospital commission with Gen. Noble and Col. Northington and Mr. Schmidt. If I recollect my direct destination, or the direct starting point, was Hot Springs, direct to Washington. We were called, as I recall it, on the 3d or 4th day of November, for the commission to come in.

Mr. BENNET. And what directed your attention to the fact that an investigation was taking place of the Speedway matter immediately prior to the 9th of November?

Mr. TRAINER. Mr. Wallace Clark called me on the telephone and told me that the Inspector General's Office had been to interview him, and also been to interview Mr. Reynolds and some other men in Chicago, and the inquiry was concerning my connection with the Speedway property.

Mr. BENNET. Your interviews with Mr. Reynolds were on the 14th and 21st of October?

Mr. TRAINER. Yes.

Mr. BENNET. Some time prior?

Mr. TRAINER. Yes. If Mr. Reynolds had told me on the 14th and 21st of October all that Mr. Hines had said to him on his first call, I certainly would have reported.

Mr. BENNET. However, you did not report anything about this alleged offer of Mr. Shank to Mr. Reynolds on either the 14th or 21st of October?

Mr. TRAINER. Yes, I did.

Mr. BENNET. Which one?

Mr. TRAINER. I stated to Mr. Reynolds on the 14th of October just what the meeting between Mr. Hodge and me and Mr. Shank and Foster was on the 25th of June. I told him just as I have told you gentlemen here just what the subject matter of that meeting was.

Mr. ADCOCK. When you said Foster—

Mr. TRAINER. I mean Poppenhusen.

Mr. BENNET. Mr. Clark was present at that meeting?

Mr. TRAINER. He was.

Mr. BENNET. Of October 14?

Mr. TRAINER. He was. Mr. Reynolds sent for both of us.

Mr. BENNET. And in his testimony before Maj. Stotesbury he does not mention anything in relation to Mr. Shank or any such offer, does he?

Mr. TRAINER. I do not know.

Mr. BENNET. You have read his testimony?

Mr. TRAINER. I have read his testimony, but I do not recall, I have read so much testimony here.

Mr. BENNET. This is rather important.

Mr. TRAINER. Well, I have not read it.

Mr. BENNET. Have not read it?

Mr. TRAINER. I read it when we first got it, but as to the point you are speaking of I do not know.

Mr. BENNET. You do not know that Mr. Wallace Clark in his testimony before Maj. Stotesbury does not say a word about any occasion that Mr. George H. Shank offered him a cent?

Mr. TRAINER. I did not know he did offer him any. I do not know whether he says that. You know whether it is there or not.

Mr. BENNET. I do know, but I do not want to ask you to assume the responsibility.

Mr. TRAINER. I do not know whether that is in his testimony or not.

Senator HARDWICK. That is a matter of record, the report is in.

Mr. BENNET. Is the whole Stotesbury report in?

Senator HARDWICK. It is. It was inserted the other day. The one that we did not admit is the Starrett report.

Mr. BENNET. I did not understand that the Stotesbury report was in.

Now, how do you fix those dates of October 14 and October 21?

Mr. TRAINER. Well, I fixed the date of October 14 because I was there that week, and had been part of the week before. The early part of the week before, I had been in French Lick and West Baden, Ind., and also Milwaukee and other outside points. I had returned the latter part of that week, and it happened after I had returned, and happened early in the week.

Mr. BENNET. How did you fix the date, October 21?

Mr. TRAINER. Because it was a day or two before I left Chicago and just as we were concluding the Field Museum lease, or considering concluding it.

Mr. BENNET. As I recollect your testimony, it was that on the morning of October 21 Reynolds sent for you. Mr. Poppenhausen, according to Mr. Reynolds's statement, had been to see him in the interest of Mr. Hinds—is that correct?

Mr. TRAINER. Yes; on the 21st of October, or about that date, that Mr. Poppenhausen had called on Mr. Reynolds, as I understood Mr. Reynolds, at the request of Mr. Hines.

Mr. BENNET. And on October 14 Mr. Reynolds stated to you that Mr. Hines had been in to—

Mr. TRAINER (interposing). To see him some time before that.

Mr. BENNET. How long before?

Mr. TRAINER. He did not say. I do not know whether it was that day or the day before.

Mr. BENNET. Did you form any impression, or have you any present recollection as to when he said Mr. Hines had been in to see him?

Mr. TRAINER. I only know—I know Mr. Reynolds mentioned one subject matter that had entirely to do with the bank, or Mr. Hines, concerning some liberty-loan bonds, and that is the only subject he mentioned besides the subject matter I have testified to.

Mr. BENNET. Of course, I suppose you recollect that Mr. Reynolds told Maj. Stotesbury, as Maj. Stotesbury reports it, that he had never made any such statement of alleged conversation with Mr. Hines, as you now state, that Mr. Reynolds made to you?

Mr. ADCOCK. Is not that argument?

Mr. BENNET. No.

Senator HARDWICK. We are not very technical. I do not see anything about the question. Was this in the report?

Mr. BENNET. I will be very frank. I want to lay before the committee the fact that Mr. Trainer in his testimony yesterday stands alone against every witness that has been called here or before Maj. Stotesbury.

Senator HARDWICK. Is not that a mere matter of argument in the summing up?

Mr. BENNET. I do not think so. I am under the direction of the committee.

Senator HARDWICK. I am asking you to prove facts by the witnesses. Your arguments, and so on, we will hear later.

Mr. BENNET. Except that I think that I do not want to be met at the close of the case by the statement of the learned and astute counsel that when I had a chance to have Mr. Trainer before me and to exhaust his recollection of these points, I did not, in fairness, call his attention to them.

Senator HARDWICK. I do think you ought to cross-examine him very thoroughly on anything he knows or any facts he has testified to as to whether he knows what is in this report or what this report is.

Mr. BENNET. I have agreed to this particular part of the report, I should say to the committee, at the request of this counsel, and I have asked him if he explained this to Maj. Stotesbury.

Mr. ADCOCK. I do not think that is a fair statement—that it is at the request of counsel.

Mr. TRAINER. There are some omissions.

Mr. ADCOCK. I want to say that I made the suggestion to facilitate the hearing.

Senator HARDWICK. That is the only reason I pursued it. If he stands alone, you can show that. You can show what is in the report. I thought possibly it might involve a long argument with you and the committee as to whether he stood alone or not. I do not know, but it strikes me that that is argument. Do you not think so, Senator?

Senator BECKHAM. Yes.

Senator HARDWICK. Let us get down to the facts.

Mr. BENNET. You have been extremely patient.

Senator HARDWICK. We will hear you at length on the arguments.

Mr. BENNET. How do fix that location—between the 25th of June and the 2d of July—and where were you on those dates?

Mr. TRAINER. Where was I?

Mr. BENNET. Yes.

Mr. TRAINER. I believe I was in Chicago—I am certain I was.

Mr. BENNET. Have you any way that you can fix that definitely?

Mr. TRAINER. No; not at this time. I was in my office carrying on my business, wherever it carried me.

Mr. BENNET. But, to the best of your recollection, you were in Chicago continuously from the 25th of June to the 2d of July, 1918?

Mr. TRAINER. I would say that I was. I have no recollection of being out of Chicago after the 24th of June until I left on the 11th day of July for Washington. If I was, it was on short trips near by the city.

Mr. BENNET. What business relation, if any, does Mr. Jarvis Hunt bear to you and did bear in June, 1918?

Mr. TRAINER. Mr. Jarvis Hunt bears no relationship to Mr. Clark or me, except that a building known as the Michigan Boulevard Building, a corporation in which he is a stockholder, and of which Mr. Clark and I own the control. Mr. Hunt was the architect and is one of the directors of the company.

Mr. BENNET. And he was a director of the Continental & Commercial Trust Savings Bank?

Mr. TRAINER. Well, that was abolished when the corporation was organized. We both had a trust, but that trust was merged into the Michigan Boulevard Co., which is a corporation that took title to the land by deeds from the trust.

Mr. BENNET. What proportion of the stock do he and you own, and what proportion does Mr. Clark own?

Mr. TRAINER. Mr. Hunt owns approximately 40 per cent, Mr. Clark 25 per cent, and I own 25 per cent. The balance is owned, if you want to know—

Mr. BENNET. No.

Mr. TRAINER. That is the controlling interest.

Mr. BENNET. Was that the proportion of your interest in the property in June, 1918, also?

Mr. TRAINER. It has been since the very first instant to now, yes, beginning in 1913, 1912, or 1913, when we bought the land and later built the building.

Mr. BENNET. Are you aware of the fact that Mr. Hunt had a hospital proposition in Washington here in December of 1918?

Mr. TRAINER. Only in a general way. Gen. Noble had told me of it and Mr. Hunt tried to show it to me here in Washington, and I

told him that it would not do any good to show it to me, because I was not a hospital man, but a real estate man.

Mr. BENNET. Practically what you know from that is what you derived from Gen. Noble?

Mr. TRAINER. No; I knew Mr. Hunt very well, and Mr. Hunt and Mr. Schmidt and Mr. Graham, one of our Chicago architects, that were competent and capable of doing work for the Government, were trying to get it, and coming to all the men of the department for advice, and asking if we knew anything that we could do for them, and that was constantly going on with all the architects.

Mr. BENNET. Did you ever discuss Mr. Hunt's particular proposition with him?

Mr. TRAINER. I never did.

Mr. BENNET. Wasn't it in one of the parks that Mr. Hunt proposed to put his hospital?

Mr. TRAINER. I know we were directed to investigate the parks which we had.

Mr. BENNET. Marquette and Washington?

Mr. TRAINER. Marquette and Washington and Jackson Parks, and, I believe, McKinley Park.

Mr. BENNET. Marquette and Washington Parks were the proposed location of Mr. Hunt's hospital?

Mr. TRAINER. They were parks that had been offered by Judge Payne, and the City Park Board, that were available, and which they would give the War Department without compensation. Now, whether Hunt's plan was to be located in them I do not know.

Mr. BENNET. And you never did know until you heard the testimony in this case that the hospitals proposed to be located in Marquette and Washington Parks were known as Travis Hunt's plan?

Mr. TRAINER. I never knew them as anyone's plan. I only knew the locations were available, and the commission looked at the locations. As to which plan was to be used in the construction I never heard.

Mr. BENNET. Although Mr. Hunt had spent, according to Mr. Hare's testimony, a good deal of time in the summer of 1918 in Washington in relation to the project, he had never discussed it with you?

Mr. TRAINER. He did not, and the first I knew was from Mr. Hare. Mr. Hunt had been discussing hospitals when I heard Mr. Hare say that Mr. Hunt had brought a plan to him for Secretary Crowell.

Mr. BENNET. At the request of counsel, there was read into the record a portion of the Stotesbury report, being the examination of Mr. Wallace Heckman, counsel and general manager of the University of Illinois. I presume you were present when that was read?

Mr. TRAINER. I think I was.

Mr. BENNET. Mr. Heckman says "I had been in the habit of consulting Wallace G. Clark. I employed Clark and Trainer to purchase something like a million and a half dollars worth of property in pieces—purchase in lot—and it required a great deal of skill to handle it. If they had been inclined to magnify their work, it would have leaked out. They handled it very successfully, purchasing a mile frontage of lots, and it didn't leak out until it was all over. It was done in a very straightforward way. I knew that Clark knew values along the canal. I said to myself, I can not do better than to

compare my information with Wallace Clark, and I called him up to ask him about values there." About how many parcels of property were involved in that purchase of a mile of waterfront?

Senator BECKHAM. At Chicago, Ill.?

Mr. TRAINER. It was the site of the midway, Chicago, extending from Cottage Grove Avenue and Madison Avenue on the South Side. It was lots and subdivisions, and many of them were improved by buildings. It would be pure guesswork for me to state how many there were.

Mr. BENNET. Thirty-five or forty?

Mr. TRAINER. Possibly.

Mr. BENNET. Did you buy it by getting options and then transferring them to the University of Chicago?

Mr. TRAINER. It was purchased by contract from the sellers to individuals or trustees and then by them conveyed to the Chicago Title & Trust Co., and then by them later to the university. The University of Chicago did not appear in the transaction.

Mr. BENNET. And what Mr. Heckman commends your firm for is so handling the matter so that the people who were disposing of their property did not ascertain who the ultimate purchasers was to be?

Mr. TRAINER. I did not so understand it.

Mr. BENNET. That is only the operation of Heckman's mind—what Mr. Heckman says here is the operation of his mind.

Mr. TRAINER. You will have to judge of that.

Mr. BENNET. Surely. That is all.

Mr. ADCOCK. You did not know anything about the plans that Mr. Hunt had with reference to hospitals, did you?

Mr. TRAINER. No; I never saw them. I merely knew that he had them.

Mr. ADCOCK. But from what you understood, you did not understand that they were peculiarly drawn so that the hospital could only be built in Marquette Park, or do you know that they might be built anywhere?

Mr. TRAINER. It was the endeavor of the Surgeon General to get many of the architects to standardize hospital construction, and to do work on some plan of standardization.

Mr. BENNET. Did not Mr. Jarvis Hunt come into that meeting of July 2 temporarily, and meet you and go out with you?

Mr. TRAINER. Yes, Mr. Jarvis Hunt stepped into the room in Mr. Newman's office at the time we were there.

Mr. ADCOCK. Did you know why he came in?

Mr. TRAINER. Yes.

Mr. ADCOCK. What happened when he came?

Mr. TRAINER. Hunt and Clark and I had a controversy with the George A. Fuller Co. who built our building, in which there was an amount of money in dispute, which we had deposited in escrow to pay that, and we were to meet with the lawyers for the company, and our lawyer, for the purpose of definitely deciding that question. Mr. Hunt had gotten the wrong location, and he simply stepped in as he had been told that I was there, and he came in to Newman's office and looked for me, and I said, "You do not belong here," and he said, "all right," and out he went.

Mr. ADCOCK. When he saw the other architect, he was quick to get out.

Mr. TRAINER. I presume so.

## TESTIMONY OF MR. S. H. HODGE.

(The witness was sworn by the acting chairman.)

Senator HARDWICK. What is your business, Mr. Hodge?

Mr. HODGE. I am in the industrial real estate business in Chicago.

Senator HARDWICK. You are with the Government?

Mr. HODGE. Yes, procuring storage for Army supplies.

Senator HARDWICK. Are you in the same branch with Mr. Trainer?

Mr. HODGE. No, sir; I am under Col. Wells, the director of storage, in the purchase, storage, and traffic division.

Senator HARDWICK. He is in the real estate section of the War Department?

Mr. HODGE. Mr. Trainer?

Senator HARDWICK. Yes.

Mr. HODGE. Yes, and I am also in the real estate section, a matter of convenience, in order to save duplication of the lease branch and the lease record branch and allotment branch and legal record branch. My office is on the same floor, across the hall from the present real estate office.

Mr. ADCOCK. You have been engaged in the real estate business in Chicago for a good many years?

Mr. HODGE. Seventeen years.

Mr. ADCOCK. When did you enter the Government service?

Mr. HODGE. March 15, 1918.

Mr. ADCOCK. And your salary is how much?

Mr. HODGE. A dollar a year.

Mr. ADCOCK. You are now in the service?

Mr. HODGE. Yes, sir.

Mr. ADCOCK. Were you in Chicago prior to the 25th of June and until after the 2d of July, 1918?

Mr. HODGE. Yes, I was in Chicago from the 21st or the 22d of June until the morning of the 4th of July.

Mr. ADCOCK. Were you present in the office of Mr. Poppenhusen, in the office of Newman, Poppenhusen, Stern & Johnston, about the 25th of June, when there were present yourself, Mr. Poppenhusen, Mr. Newman, Mr. Shank, Mr. Clark, and Mr. Trainer?

Mr. HODGE. Yes, sir.

Mr. ADCOCK. Will you just state how that meeting came about and how you fix the date of the meeting? Tell the committee.

Mr. HODGE. I went to Chicago to rest, but when I got there I found telegrams from several of the corps, and it gave me a good deal of work to do, and a telephone message from Maj. Holden, asking me to see Mr. Trainer, if he was in Chicago, and get him to expedite his report on the Eastman Hotel at Hot Springs, and I called on Mr. Trainer one morning by appointment. Before going over, I had a telegram from Col. Nicholson, the director of quartermasters' operations, requesting that I consolidate the vehicle and harness branch and the fuel and forest branch into one building. The Government had formerly occupied space in Mr. Trainer's building, department headquarters, under Gen. Bell, which they had turned over to get larger quarters on the North Side. The contract for the lease was taken up by The Adjutant General's Office in Washington, and as compensation to Clark & Trainer for the expense they had been put to in fitting up the space for the department, on

account of the short tenure, the Secretary of War directed that they be paid rental up to December 1, 1918—that was from July 1 to December 1. The contract further provided, as I remember it, that if in the meanwhile Clark & Trainer had an opportunity to lease the space to someone else, the Government was to be credited with whatever rentals were received. I thought it would be a very desirable thing to do, since we were paying rent for that space, to move our vehicle and harness and fuel and forest branches over there, and I called on Mr. Trainer with two things in mind; one was to expedite his report on the Hot Springs affair, and to get him to go over the office space in the building and see if we could not consolidate it. He went with me over to the building. We looked the thing over pretty carefully and came back to his office and prepared a telegram, or prepared the telegram before we went over the space, to Maj. Holden. I suggested to Mr. Trainer the procedure and the form in which to make his report, and I can fix the date of that meeting from that report, which was June 24.

Mr. ADCOCK. I want to state for the benefit of the witness that we had a copy of the telegram here yesterday, and the date of the telegram, the report, was the 24th of June.

Mr. HODGE. That is correct. There at that meeting, while I was with Mr. Trainer, or afterward in the afternoon, I do not remember correctly which—there have been so many things that the details did not fasten themselves on my mind—he told me, or telephoned me, that he had received a request to come to Mr. Poppenhusen's office the following morning. I said, "Well, are you going up there?" and he says, "Yes, I am to meet you there." I says, "Well, you come by my office for me. I will be pretty busy and I want to get everything cleaned up here and get some rest." He came up, and I think Mr. Clark was with him, and we went over to Mr. Poppenhusen's office.

Mr. ADCOCK. Now, will you state just what was said in substance and who were there; who were present?

Mr. HODGE. Mr. Poppenhusen, Mr. Shank, Mr. Trainer, Mr. Clark, and myself. Mr. Newman came in afterwards. I think Mr. Poppenhusen telephoned for Mr. Newman.

Mr. ADCOCK. Did you introduce Mr. Clark and Mr. Trainer to Mr. Poppenhusen?

Mr. HODGE. Yes, sir.

Mr. ADCOCK. Now, will you state, in substance, just what the conversation was?

Mr. HODGE. We entered into a general discussion, Mr. Shank and I, regarding the matter that I had under discussion with him for another warehouse for the Ordnance Department, to be built by him and leased to the Government on the usual government form, and I talked to Mr. Poppenhusen about my election to membership in the Glenview Golf Club, and after a few moments Mr. Shank said, "I have asked these gentlemen to come over here, and I want them to help me to sell my Speedway property, and I believe they can do it, and I am willing to pay them a commission if they can sell it." Being in the Government service, Mr. Shank's statement did not convey to me any idea that he was trying to bribe anybody. He is a generous hearted man and willing to pay commissions. He has paid me com-



missions, several of them. When he had wanted to sell the Speedway property I had represented him, prior to entering the Government service in handling the Speedway property, and I was his agent, and it did not make any difference whom he sold the property to he wanted to sell it, and he wanted to build on it. He was quite anxious to put up a building, and he offered it to me prior to going into the Government service, and he asked me if I could not interest the Quartermaster in taking it over for storage. At that time the storage depot at Chicago had been determined, a lease had been made of some buildings, and the Government had erected others, and it was impossible then to consider making the location, which he fully understood.

Senator BECKHAM. When he spoke of getting "these gentlemen" to help him sell it, what gentlemen did he have in mind besides yourself?

Mr. HODGE. Mr. Clark, Mr. Trainer, and myself. I assumed that he addressed his remarks to all of us.

Senator HARDWICK. You were the three real estate men present?

Mr. HODGE. Mr. Newman spoke up immediately and said that "if there is anything like that going on, I want it distinctly understood that I will not be a party to it, and I will so advise my client, Mr. Edward Hines, and have him withdraw this property from the market."

Senator HARDWICK. That was the first thing after the statement of Mr. Shank's?

Mr. HODGE. Yes. Mr. Trainer's statement as to just what happened in that general discussion is practically mine as I remember the conversation.

Mr. ADCOCK. What did you say and what did Mr. Trainer say?

Mr. HODGE. Mr. Trainer said that he had been doing some Government work, and he had not received any commissions and he would not receive any commissions; that he was going to enter the Government service, and he was going to Washington, and that he could not be a real estate broker for anybody in any property transactions.

I explained to Mr. Newman my position, that when I left Chicago on the 14th of March, I severed all business connections of every kind and every nature. I had no further interest in commission transactions or in anything in which the Government was concerned. I knew my position and knew what I was going to be called upon to meet in my work, and wanted to be clear and free from any influence and any suggestion from anyone. I did not state that to them. That was my attitude when I left to come to Washington, but I did tell Mr. Newman that I had done a good deal of work on the Speedway, but I had accomplished no sale, and that I did not expect any commission, and he knew that I could not receive any commission, and I did not think and I do not think now, that either of the gentlemen for a moment thought that I would accept a commission.

Mr. Newman gave a very clear statement as to just what would happen to a man who took a commission.

Senator BECKHAM. Did he make his statement immediately after Mr. Shank made his? Was it made after Mr. Trainer had replied to Mr. Shank's statement?

Mr. HODGE. The first part of it, where he would notify Mr. Hines to have nothing to do with it, was made before anybody said a word, just immediately following Mr. Shank.

When Mr. Newman finished, I stated to him that while his remarks were very pertinent to commission transactions, that he could not pay a commission anyway if the property was sold to the Government; that we had recently received from the office of the Judge Advocate General a stated clause to be inserted in our quartermaster lease form and purchase contract replacing article 7, which provided in substance that no one could receive a commission, fee, or compensation for a transaction involving the sale of real estate, or the leasing of real estate to the Government; that if they did, why the contractor laid himself liable, and that if he paid a commission he would have to pay it to the Government, and so would pay it twice. Mr. Newman said he had not heard of that.

Mr. ADCOCK. A commission to anybody, whether in the Government service or not?

Mr. HODGE. Yes; no one could get a commission. The reason of that, Senator, was in purchasing these sites, proving grounds, and training fields, the offer had been made to associations of commerce and committees to buy property, and the Government had found out that information would leak out and options would be obtained by men interested in real estate transactions, and would be held up, and we used that form in a number of leases and in contracts that were afterwards executed.

Mr. ADCOCK. Was anything further said?

Mr. HODGE. No; there was nothing further said, except a few pleasantries, and the meeting was over and we all left the office.

Mr. ADCOCK. Did you use any words to Mr. Newman like this as you were going out of the office: "I thank you from the bottom of my heart for the advice given to me, and will do so to the end of my days?"

Mr. HODGE. No; I do not remember anything like that. I probably thanked him, for my early training and my birth place, being a southerner, it always made me courteous, and I appreciated anything that Mr. Newman or any other man would say to me, no matter whether it pertained directly to me or not.

Senator BECKHAM. Did Mr. Newman show resentment or indignation at the suggestion of the commission being offered in the matter?

Mr. HODGE. I did not take it so.

Mr. ADCOCK. That is the substance of the entire conversation?

Mr. HODGE. Yes.

Mr. ADCOCK. Did you have any other meeting in Mr. Newman's office, if you remember?

Mr. HODGE. Yes; we were back there again on the 2d of July, two days before I left Chicago.

Mr. ADCOCK. Just a minute—going back for a moment to the June 25 meeting—you say that Mr. Clark was there?

Mr. HODGE. Yes.

Mr. ADCOCK. Did he enter into the conversation?

Mr. HODGE. Not at all.

Mr. ADCOCK. Didn't say anything?

Mr. HODGE. Not a word, that I remember.

Mr. ADCOCK. Then, will you state who was present at the July 2 meeting?

Mr. HODGE. Mr. Newman, Mr. Poppenhusen, Mr. Shank, Mr. Foster, Mr. Erskine, Mr. Wheelock, Mr. Trainer, and myself. I think that is all.

Mr. ADCOCK. What was the subject of the conversation there?

Mr. HODGE. Mr. Wheelock had a set of plans.

Senator BECKHAM. How did you happen to go there?

Mr. HODGE. We were asked to come back again, Senator, as I remember it.

Senator BECKHAM. By whom?

Mr. HODGE. I do not remember by whom.

Senator BECKHAM. By somebody in Mr. Newman's office or his firm?

Mr. HODGE. It may have been, or it may have been Mr. Shank wanted to see us to show us plans which had been prepared by Mr. Wheelock; and as I remember it, the ground plan showing the property, the proposed location of the hospital, and the plan of the hospital building. I remember the plan of the hospital building, because I remarked to Mr. Shank that if he would take out the partition walls and put in some freight elevators it would make a good storage warehouse. I did not take much interest in that meeting. I did not engage in it in any way, because it was a matter that did not concern my department, and I was only there to lend every possible assistance to these gentlemen who were my friends in getting their project presented in proper form for consideration in Washington.

Mr. ADCOCK. That was all you remember of that conversation?

Mr. HODGE. Yes; all I remember of the conversation.

Mr. ADCOCK. Did you have anything to do later with the Speedway project?

Mr. HODGE. At that time?

Mr. ADCOCK. Yes.

Mr. HODGE. Oh, yes; during the time that Mr. Erskine and Mr. Shank were in Washington. In fact, Mr. Shank called me up one day and said that he was in town; had come here to live for a while down at the Raleigh, and would like to have me come up and take dinner with him. So I went to see him and he said that he had come down here to build a hospital, or some kind of a building, for the Government, and he was to stay here until he got a contract or found out that he could not get one. I told him that I admired his nerve and I hoped he got it, because my experience with Mr. Shank had been such that I could thoroughly recommend him to anybody who wanted a building built right and on time.

Mr. ADCOCK. Did you have any conversation with Mr. Newman or Mr. Erskine at the Raleigh Hotel about September 10?

Mr. HODGE. Yes, sir.

Mr. ADCOCK. I show you a paper here which has been marked "A," and has on the bottom —

TUESDAY, SEPTEMBER 10, 1918—7 P. M.

This paper was given to me by Jacob Newman and A. D. Erskine in room 211, Hotel Raleigh, to do with as I saw fit.

(Signed) S. H. H.

Do you know anything about that?

Mr. HODGE. Yes; that was handed me by Mr. Newman.

Mr. ADCOCK. And the words that I have just read there were written by you?

Mr. HODGE. Written by me.

Mr. ADCOCK. And you signed that memorandum with your initials, "S. H. H."?

Mr. HODGE. Yes.

Senator HARDWICK. What did he give you that paper for?

Mr. HODGE. I will be very glad to cover that, Senator.

Senator HARDWICK. That does not seem to be a part of any statement I have seen.

Mr. HODGE. On September 10, after I had finished my office duties—I worked Sundays and nights in those days to keep up my work—I had gone home, and before I had my lunch my telephone rang and my partner was on the wire. He said that Mr. Poppenhusen had asked him to call me up and tell me that Mr. Erskine had left Chicago Saturday night.

Mr. ADCOCK. You mean Sunday, September 10, or September 8?

Mr. HODGE. September 8; and that he would arrive in Washington Sunday afternoon, and wanted to meet me. Erskine and I had been friends for many years. We had been in touch with each other on this hospital matter since May or June. He came over to me to find out about the Speedway property. Mr. Poppenhusen had told me; and told me that he was going to come to find out what the facilities were, etc., so I was waiting for Mr. Erskine to call me, which he did about 6 o'clock, and asked to come to see me, and I volunteered to go to his hotel, knowing he had just returned. He says, "No; I will come out to see you," and he came, finally. We went for a walk and while we were walking along he said, "Sam, I have just been out to Chicago in connection with the Speedway property, and I have talked over the situation with Mr. Newman, and we are both afraid that you are going to be criticized because of your connection with this matter, and I have prepared a statement for the Secretary of War, which I am going to sign, but not until I have had you see it, and Mr. Poppenhusen asked me to show it to you before signing it." He then pulled out a paper.

Mr. ADCOCK. Is this the paper which is marked "B" by the reporter?

Mr. HODGE. Yes, that is the paper that was taken from his pocket. On page 3, on the last half of the page, appears my name.

Well, it was very complimentary and fair to me, but I could not see why I should have my name attached to a document like that to be presented to the Secretary of War by somebody else, and I told Mr. Erskine and thanked him for having prepared that, but I said "Bert, if there is anybody going to file a memorandum with the Secretary of War in which my name is mentioned, I am going to file it myself." So I tore off the lower half of page 3 and took that and pages 4 and 5 and put it in my pocket. We continued our walk and discussed other things, and then went down town and had dinner together at the Shoreham, and then he walked back home with me. We said "Good night," and he went to his hotel and I remained.

The following Tuesday Mr. Erskine was in our real estate department, over there every day in matters pertaining to the Speedway

property, in conversation with Maj. Holden and with me. Maj. Holden and I occupied the same room in the Mills Building at that time, and he said, "Mr. Newman is in town and he wants to see you." I said, "All right, where is he?" "He is at the Raleigh. I will come over at 6 o'clock and we will have supper together."

Six o'clock came and I was busy and the telephone rang a few minutes afterward and Mr. Erskine was on the wire, and he said, "What time are you coming over?" But I says, "I am sorry, Bert, but I am chock block and can not get over before 10 or 11 o'clock to-night, and I will not eat until after I get through. I do not want to stop." He said, "Mr. Newman has a message to you from Mr. Poppenhusen and he is very anxious to see you, and I would advise you to see Mr. Newman." I said, "All right, I will come over." So I did and went to the room—the number he gave me was room 211—and Mr. Newman told me of an incident that occurred one night prior to that time when on his way home some unknown man had come up and said that he was a friend of Mr. Hines, or that he knew Mr. Hines or knew of him and admired him, and that he understood there was a proposition pending at Washington for the building of a hospital on the Speedway property, and he wanted to tell Mr. Newman that the Tribune, which was very antagonistic to Mr. Hines, had the story of this project, and that they were going to write it up, and that the question of commissions was mentioned, or something like that, as near as I remember the statement. I can not remember the details of it. I listened to it and it sounded like a most unusual circumstance, and then Mr. Newman said to me, "Now, we have been thinking this thing over, and your former connection with the Speedway property —"

Senator HARDWICK (interposing). Now, right there. Had you ever had any connection with the Speedway property before you entered the Government?

Mr. HODGE. Yes, sir. I had it listed for sale. I was a real estate broker for Mr. Shank, who represented Mr. Hines, to sell that property.

Senator HARDWICK. At what commission did you have a figure?

Mr. HODGE. \$50,000, if I sold it for \$1,250,000, which was the asking price.

He said, "At a meeting the other day of the Speedway interests"—Mr. Newman talking—"in summing up the final account of this transaction," he, Mr. Newman, remarked, "that although a great deal of time and effort had been spent on it, the transaction was going to be put through, and that there were no commission fees involved; that everything could be written down as to just what expense would have to be met." Mr. Newman then said that Mr. Shank made the statement at the meeting that that was unfair, that I had done a good deal of work on the Speedway property, and that I should be compensated for it, and Mr. Newman told Mr. Shank that I could not be compensated; that I was a Government officer; and that no commission or compensation could be given to me. Mr. Newman said that Mr. Shank became very excited and lost his temper, and they got into a row—is that the substance of it?—and that he, Mr. Newman, lost his temper; that Mr. Shank talked so loud that he was afraid that my name would be overheard in the corridor of the building; and that he, Mr. Newman, left the room. "Now," he says, "that is why Bert has prepared this statement for the Secretary of War.

which you have seen, and I would advise you as a friend to prepare a memorandum to your chief, setting forth the facts in this case, and your connection with it, so that if your name is ever mentioned you will have something of record to show your activities with this property." And he handed me then the document here, that one there [indicating].

Mr. ADCOCK. You are referring to this document, which is marked "A"?

Mr. HODGE. And also the first and second pages, and the top part of page 3.

Mr. ADCOCK. And the lower part of page 3 you already have?

Mr. HODGE. He handed me the first, second, and top part of page 3. I had the bottom part of page 3 and pages 4 and 5.

Mr. ADCOCK. That is exhibit "B," that you have, the bottom of page 3 and pages 4 and 5?

Mr. HODGE. Yes. I was in a highly nervous state, overworked and underfed, and the thing had a rather bad effect on me. I was worried. I did not know what to do. I am afraid, I confess, that I was at a loss to know where to turn, and I appealed to Mr. Newman as a friend, and to Mr. Erskine, to see Mr. Shank and tell him that for the sake of the friendship that had existed in the past, he must not make such statements; that I could not and would not accept the slightest favor, not even a cigar, for any services that I had rendered him; that I was willing to let it go, and I did not want fees or compensation; that I was down here for a specific purpose, and when my duties were finished I was going to return to Chicago and take up my work again, but in the meantime I was not in the real estate business for anybody except the United States Government. He said, "I can not control Shank." And I told him, "Then, Mr. Poppenhusen can." He says, "No, I do not think he can." I says, "I can." And I got to thinking about it, and I thought, "I do not know whether I am going to get into the mud or the mire, if I get mixed up, if Shank is in a bad hole." And I turned to Bert and asked him to ask Shank to come down.

Senator HARDWICK. Where was he?

Mr. HODGE. In Chicago. Mr. Erskine said to him, "George, we have had to make a change on account of the real estate valuation of the Speedway. We have had to make a change in the contract, and the first page will have to be rewritten and the contract will have to be signed again, and I wish you would get on the train to-morrow and come down here and sign the contract." We had supper together in the room and talked there for awhile afterwards, and I started back to work to my office. I did not see Mr. Erskine the next day, and I do not think the following day, but the third morning afterwards he called me on the telephone and said that Mr. Shank was in Washington, at the Raleigh Hotel, and wanted to see me, or would be glad to see me. I went right over with him a little after 9 in the morning and found Mr. Shank in room 211. He greeted me with the same old-time friendship, and I said, "George, I am awfully sorry that this thing has come up, in which you had a dispute with Mr. Newman. You must understand, now, George, that under no circumstances can I accept a fee or a commission from you." "Well," he said, "you have done good work and you are entitled to it." I said, "I know, George, but you do not appreciate my position, old

man. I could not. It is not allowed and I could not take a fee." We discussed in a general way, and knowing his connection with the project, how glad he was that he had finally closed the project, and he was going to get back some of the money that he had invested, and it looked as though it would have to be a long pull to get it out again. I said, in substance, "George, you have a wife. I have met her and she is a sweet woman. You have two splendid boys—I know them both. One is in the service now. If you want to do something for somebody, you give your wife whatever sum of money that you feel like you wanted to give me and have her present it to the Speedway Hospital as a permanent library fund for the benefit of the wounded and the sick soldiers that are there." He got up out of his chair and took me by the hand and he said, "That is one of the happiest thoughts that you have expressed, and I will do it."

I left him there and went back to my office and did not hear from him any more at all, until—I do not know—I did not see Mr. Shank until the other morning. I met him at the Willard Hotel. At least, I do not remember.

Senator HARDWICK. You have not seen this paper?

Mr. HODGE. That paper was not for me, Senator. That paper was prepared for Mr. Erskine's signature.

Senator HARDWICK. Both of them?

Mr. HODGE. Yes.

Mr. ADCOCK. You are referring now to "B"?

Mr. HODGE. No; the paper marked "A." I want to get this straight. The paper marked "A" was the original memorandum, which was prepared in Chicago by Mr. Newman and Mr. Erskine, for Mr. Erskine's signature, to present to the Secretary of War, and you will read there is a similarity in phraseology in the first paragraph of each one. Certain pencil interlineations were made in this memorandum, and from that memorandum "B," which is dated September 7, 1918, and addressed to the Secretary of War, Washington, D. C., was prepared for the signature of Mr. Erskine, and that is the one that I refused to allow him to file with Secretary Baker.

Senator BECKHAM. Is this "B," then, copy of "A," with the pencil interlineations?

Mr. HODGE. Not a copy; no, Senator. It is just a boiled-down statement of the other. I would like to have you gentlemen read both of those.

Now, I did not prepare then a statement that Mr. Newman suggested that I prepare, but I made a pencil memorandum to file with Gen. Goethals, to whom I am directly responsible, but the general was very busy. There was a reorganization in the War Department at that time, and after my talk with Mr. Shank I thought that was the end of any further controversy or dispute in the matter, and I thought that the contract had been signed or was about to be signed, and the hospital was going to be built, and everything was completed, and all the paper work had been done, and I paid no attention to it. I went on about my work. But I kept my pencil memorandum, which I made, and I kept these papers because of the possibility that I would file them later on, after we had gotten all settled down, because Mr. Newman is a kind of man that when he gives advice I think it would be well to follow it.

Mr. ADCOCK. Now, Mr. Hodge, as I understand, this paper marked "A" was handed you on the night of September 10 by Mr. Newman?

Mr. HODGE. Yes, sir.

Mr. ADCOCK. And at the same time the pages 1, 2, and the top part of 3 of the paper marked "B" were handed to you?

Mr. HODGE. Correct.

Mr. ADCOCK. You stated that Mr. Newman had returned this statement marked "A"? How do you know that?

Mr. HODGE. No; I did not. If I did, I did not state it correctly. Mr. Erskine told me that the statement had been prepared by him and Mr. Newman, at Mr. Newman's house, while Mr. Newman was ill.

Mr. ADCOCK. That is, he made the statement at room 211?

Mr. HODGE. I do not remember whether he made it there or the Sunday previous.

Mr. ADCOCK. But the paper marked "A" you had never seen until September 10?

Mr. HODGE. I had never seen it until September 10.

Mr. ADCOCK. You do not know whether Mr. Erskine made such statements there in Mr. Newman's presence?

Mr. HODGE. No; I do not.

Mr. ADCOCK. Do you know that Mr. Newman handed you this paper marked "A"?

Mr. HODGE. He did.

Mr. ADCOCK. Now, I will hand to the reporter a paper which I will ask him to mark "C" for identification.

(The paper referred to was marked "C" for identification.)

Mr. ADCOCK. Do you know Mr. Erskine's signature?

Mr. HODGE. Yes, sir.

Mr. ADCOCK. Is that his signature [showing witness paper]?

Mr. HODGE. Yes, sir.

Mr. ADCOCK. You saw him sign that?

Mr. HODGE. I did.

Mr. ADCOCK. Both signatures?

Mr. HODGE. Yes. He signed it and handed it to me.

Mr. ADCOCK. There are two signatures on the paper; and above the lower signature are these words:

The foregoing is a true and correct copy of a paper consisting of five pages, which was handed to S. H. Hodge on Sunday, September 8, 1918, purporting to be a draft of a letter from me to Secretary of War Baker, regarding the Speedway Hospital project.

ALBERT D. ERSKINE.

JANUARY 26, 1916.

And that is a copy, as I understand it, of the paper which is marked "B"?

Mr. HODGE. Correct.

Mr. ADCOCK. Now I offer these papers in evidence.

Mr. BENNET. I should like to have an opportunity to look them over.

Senator HARDWICK. You may go on with the witness.

Mr. ADCOCK. Now, you had performed considerable service for Mr. Shank in connection with this Speedway project before you entered the Government service, had you not?

Mr. HODGE. Yes, sir; I had tried to sell the property, and had it practically sold at one time. The war came on and the negotiations were stopped.



Mr. ADCKOCK. You did not speak of, never had asked for any commission in connection with this matter after you went into the Government service?

Mr. HODGE. No, sir; I would not have accepted any.

Mr. ADCKOCK. And you never received any commission in connection with any other matter for any property which you sold to the Government after you went into the service, for services performed after you went into the service?

Mr. HODGE. No, sir.

Mr. ADCKOCK. Now, going back to August, did you ever make a request of Mr. Clark to obtain a valuation upon this Speedway property?

Mr. HODGE. Yes, sir.

Mr. ADCKOCK. Will you just state the circumstances, how it came about?

Mr. HODGE. It was in the early part of August, the Construction Division, Col. Wright, or some one in his office, called me on the telephone—Col. Wright knew me personally, and I had been in his office many times on other matters—and they said, "We are ready to go ahead now with the Speedway proposition, and present it to the director of operations, and we want to get a valuation on the land." I told Maj. Holden that they were ready, and he called in his stenographer and dictated a telegram to the Chicago Real Estate Board, and turned to me and said, "Do you know anyone else that we can get a valuation from?" I said, "Yes; Walter Mills." So he told the stenographer to send the same telegram to Walter Mills. The telegram to the Chicago Real Estate Board was signed "Holden, Purchase and Supplies."

Erskine waited until the next day, when he called to know if we had heard from the Real Estate Board. I said, "No; we are all now waiting on its report of value." The Construction Division called up, and wanted to know what was the matter with the work of the Chicago Real Estate Board, and they said, "We are waiting on you." We wanted to avoid friction with the Construction Division, because we were taking over one of their branches, we needed one of their departments, and there was a little bad feeling existing between one of their departments and ours. We thought every day that the valuation would come in, but we had had considerable delay in another valuation by the Chicago Real Estate Board. It took 8 or 10 days to get it from them, and then we had to send out additional telegrams. Finally, I promised Bert that if I did not hear from the real estate board—

Mr. ADCKOCK. You say "Bert"? You mean Mr. Erskine?

Mr. HODGE. Yes. Pardon me.

Mr. ADCKOCK. It is all right, only I want the record to show.

Mr. HODGE (continuing). That if we did not get the valuation the next day, I would see if I could not get some individual valuation on the property.

I am getting ahead of my story. It was the Saturday before Labor Day, that I called on the long-distance telephone every member of the War Department valuation committee of the Chicago Real Estate Board, and not one of the three could I get on the telephone. I called the executive secretary of the real estate board, and he was out of town. It seemed that everybody had left for the week-end, over Labor Day. I was not in Washington on Labor Day, and went to

Port Newman to see the launching of the boats of the Fleet Corporation.

I arrived back in Washington on Tuesday, and there was no valuation. I did not want to hold up this project any further. I wanted to expedite it, and I called Mr. Clark on the telephone and told him what we were up against, that it seemed impossible to get prompt service from the real estate board, and I asked him if he would not go over there and get behind things and have them make a valuation; that they were waiting on them down here. The following day Mr. Clark called me on the telephone and said that he could not get the committee together; that he had gotten Walter Mills and John Willis, John Willis being at that time chairman of the valuation committee, not the committee set up to serve the Government, but chairman of the valuation committee of the Chicago Real Estate Board.

Mr. ADCOCK. They had a regular valuation committee?

Mr. HODGE. Yes; independent of the War Department; and that they had gone out and examined the property and placed a value on it of \$600 an acre and had sent me a telegram.

Mr. ADCOCK. That is, Willis and Mills had gone?

Mr. HODGE. Yes, Willis and Mills; and Mr. Clark said "I did not sign the telegram, because I did not agree with the valuation. I think it is ridiculous," or something like that.

Senator HARDWICK. You mean Mr. Trainer's partner?

Mr. HODGE. Yes, sir.

Senator HARDWICK. He thought it was too low?

Mr. HODGE. Yes. Mr. Clark is a member of the Sanitary District of Chicago, a municipal corporation.

Mr. ADCOCK. A trustee?

Mr. HODGE. One of the trustees. They have the right of eminent domain; in fact, they have condemnation rights greater than these of any railroad corporation or municipality that I know of. They had recently bought a tract of 40 acres of land between Twelfth Street, which is the northwest boundary line of the Speedway property, and the right of way of the Illinois Central Railroad, part of which ran to the Desplaines River. The larger part was under water. It was low and wet every year, but had they purchased this land, and paid for it at the rate of \$950 an acre, a 40-acre tract. They did not have to buy that land. They could have condemned it. But they felt that the price was fair, and they paid for it. I knew of that, and I then thought that was the reason why Mr. Clark, of course, would not sign the valuation of \$600 an acre, when he had paid \$950 an acre for a piece of land that is 66 feet away. Now, this land—this 40 acres—had no railroad facilities, and it had no frontage on Twelfth Street.

Senator HARDWICK. It was not as valuable a piece of land as the Speedway?

Mr. HODGE. Not as valuable as the Speedway property.

Senator HARDWICK. They consequently refused that valuation, and made it \$1,100?

Mr. HODGE. That was not right.

Mr. ADCOCK. I think there was another valuation made. You remember when Mr. Pidchon went to Chicago.

Senator HARDWICK. I think there is some record that they made another examination of the value.

Mr. BENNET. The contract shows——

Mr. HODGE. The Chicago Real Estate Board also made a second valuation.

Senator HARDWICK. And put it at \$1,100?

Mr. HODGE. \$1,150; went up nearly 100 per cent.

Senator HARDWICK. On account of the improvements?

Mr. ADCOCK. I think that \$600 an acre was without considering any improvements on the land.

Senator HARDWICK. Yes; but they finally said that the sewers or water works made it worth \$1,100.

Mr. BENNET. That is correct.

Mr. HODGE. It was worth more money than that.

Senator HARDWICK. It was? What do you think it was worth?

Mr. HODGE. The land north of the Illinois Central Railroad is worth \$2,000 an acre for the 260-acre tract. There is not another 260 acres of property in the same radius of Chicago that can be bought for that price with the same railroad facilities.

Senator HARDWICK. You think that at \$1,100 an acre the Government was getting a great bargain?

Mr. HODGE. They were.

Mr. ADCOCK. Mr. Hodge, you did not understand when you telephoned Mr. Clark to get a valuation on this property that he or Mr. Trainer was unfriendly to the Speedway people selling this property to the Government?

Mr. HODGE. No; on the contrary.

Mr. ADCOCK. You were a friend of Mr. Shank, and if you had felt that Mr. Clark would do anything, or Mr. Trainer, that would injure the chances of sale, you would not have telephoned for a valuation?

Mr. HODGE. The reason I telephoned Mr. Clark was because I knew Mr. Clark and Mr. Trainer were friendly to the project, and that Mr. Clark could give information to aid of a very recent sale of a 40-acre tract of land 66 feet away, without railroad facilities, and with no frontage on Twelfth Street, at \$950 an acre.

Senator HARDWICK. I was wondering why you as a Government official wanted to get people who were friendly to the project?

Mr. HODGE. We wanted service and fair valuation, and did not want anything else.

Senator HARDWICK. You wanted to get a fair valuation on the property?

Mr. HODGE. Yes. I had no idea of the valuation they were going to put on that property. I had my own ideas.

Senator HARDWICK. But you said you selected those people because they were friendly?

Mr. HODGE. No; I said—I beg your pardon—Mr. Adcock asked me if I knew Mr. Clark was unfriendly, and I said——

Senator HARDWICK (interposing). You said: No, you selected them because they were friendly.

Mr. HODGE. I beg your pardon, that was not correct. I selected Mr. Clark because I knew he would get a committee to make this valuation, and also he was posted on a recent sale in that vicinity.

Senator HARDWICK. I think that is different.

Mr. ADCOCK. You thought Mr. Clark would obtain a fair valuation?

Mr. HODGE. Yes.

Mr. ADCOCK. I think that is all.

Senator HARDWICK. Any questions, Mr. Bennet?

Mr. ADCOCK. I want to introduce these papers in evidence.

Mr. BENNET. No objection.

Mr. ADCOCK. One thing. Is Mr. Poppenhusen your attorney, and was he on September 10?

Mr. HODGE. No, sir.

Mr. ADCOCK. Has he ever represented you in any matters?

Mr. HODGE. I do not think so.

Mr. ADCOCK. It is not your recollection?

Mr. HODGE. I have represented Mr. Poppenhusen. He is a client of our office.

Mr. ADCOCK. That is, in real estate matters?

Mr. HODGE. In real estate transactions.

Mr. ADCOCK. But he never represented you as attorney?

Mr. HODGE. We never had but one attorney in Chicago, and that is Winston, Payne, Strawn & Shaw.

Mr. ADCOCK. If Mr. Newman stated yesterday that he understood Mr. Poppenhusen to be your attorney, that is incorrect?

Mr. HODGE. He is not my attorney. He has been in my office on matters pertaining to clients of Newman, Poppenhusen & Johnston.

Mr. ADCOCK. I want to offer these papers in evidence. I will read the latter part of the paper marked "A."

Mr. BENNET. I think if any part is to be read, it should all be read.

Senator HARDWICK. I have read it.

Senator BECKHAM. I have read it.

Mr. ADCOCK. I can read just the part which really relates to this matter.

Senator BECKHAM. Which is that?

Mr. BENNET. I assume that the committee will give me the privilege of reading the remainder.

Senator HARDWICK. Yes.

(The paper above referred to, which is the paper heretofore marked "A", during the examination of Mr. Jacob Newman, is here printed in full in the record, as follows:)

Last November, through my acquaintanceship with Dr. Frank Billings, of Chicago, now colonel in the Surgeon General's Division of the United States Army, I became very much interested in hospitals to take care of our wounded soldiers. Early in the spring Dr. Billings asked me to look over a number of properties in Chicago with the idea of giving my opinion as to their possible desirability for hospital purposes. In that way I got in touch with most of the proposals that had been made to the Government of properties for hospital purposes, and was particularly impressed with the site known as Speedway Park as being one which not alone had the proper location for this purpose but was of such size as to be best answer all present and future requirements.

Later I came to Chicago and attended various lectures that were held by the Surgeon General's Department on reconstruction, there being a meeting in Chicago at that time of a majority of the medical men in the Army on this side of the water. At this time I took Surg. Gen. Gorgas, Gen. Noble, Dr. Billings, and a number of other Army men to Speedway Park and other properties, particularly calling their attention to the desirability of Speedway Park as a hospital location.

On returning to Washington Dr. Billings informed me that the Government had decided to build only temporary hospitals or to use buildings already constructed. He also told me that temporary buildings, being of the regulation cantonment construction, would be scrapped after the war. It seemed to me a great shame that such an amount of money should be wasted, that the hospitals should be permanent instead of temporary and particularly so when I was thoroughly convinced that the reconstruction of our soldiers was something that must come, and also that civil reconstruction would be one of the results of this war, and all hospitals now constructed should

look to this end. I also heard at this time that one of the reasons for not going ahead with permanent construction was because the War Industries Board felt the necessary materials should not be allotted for such purpose.

After a great deal of thought and taking all these different things into consideration I made up my mind that there must be some way in which a permanent hospital could be built on the Speedway property in Chicago, and through making use of the immense amount of material now on the property, obviate the ruling of the War Industries Board.

Before this time a group of wealthy men in Chicago had proposed to the Government the erection of a permanent hospital on what is known as the Cub Baseball Park, containing 8 acres of ground near the Presbyterian and Cook County hospitals. This group of men were to pay the necessary additional amount over and above the cost that the Government would spend on a temporary hospital to construct a proper permanent hospital. They, however, conditioned their offer that after the war the hospital should be turned over to the University of Illinois and Northwestern University, and, if I am not mistaken, wished to have it named after some of the donors.

On studying up the Speedway property I carefully looked into the ownership and found that it was controlled by a friend of mine in Chicago. I talked to him at length on the subject and appealed strongly, both to his civic pride and to his patriotism, with the result that he finally became extremely interested in the proposition, and authorized me to proceed on whatever plan I thought best, with the purpose in view of building on this property a permanent 2,500-bed hospital along plans approved by the Government, and to be turned over to the Government with no strings of any kind and without any request for mention of the donor's name in connection therewith.

Acting immediately on his instructions I talked the matter over thoroughly with Gen. Noble and Col. Billings, and also with Secretary Baker, who not alone seemed much impressed with the idea, but asked me to proceed to get it in proper shape as quickly as possible, as he thoroughly approved. He called in Dr. Keppel and asked him to take me to Gen. Jervis and to see that I had such assistance as would enable me to produce such plans and specifications for the hospital as to make it possible for a contract to be entered into by the Government. I assembled the proper force of architects and engineers in Washington, in space allotted by the Surgeon General, and as a result, plans and specifications were approved by the Surgeon General's Department and the Construction Department, and a contract covering the project prepared by the Contract Department.

As this matter developed during the months that I was working on the proposition, I went into the history of the property and found that it had already been submitted to the Government twice, once about a year ago by Mr. Samuel Hodge, who proposed that it be taken over by the Government as the site of a great central warehouse and storage plant. At this time an agreement was entered into whereby Mr. Hodge was to receive proper compensation for handling the matter. This idea was not looked on favorably by the Government officials to whom it had been submitted. Later on, however, the hospital question being much talked about, Mr. Hodge conceived the idea that possibly the property might be utilized for hospital purposes, and a proposal was made by the Shank Co. to sell the ground and rebuild the structures on the property into a hospital. If I am not mistaken, Mr. Hodge was also to have received the regular real estate broker's commission on this project.

On further investigation, I found the work that had already been done on the property was very helpful in that it proved to me that the material on the ground made this a unique situation and one that if worked out carefully would conserve a large amount of material that would go into an ordinary temporary hospital in this district on some other site. I talked at length with Mr. Shank, an able contractor of Chicago, who had, with Mr. Wheelock, his architect, developed the first hospital suggestion on this property which was not, however, in accord with the plans developed by the Surgeon General's department. This proposal was rejected by the Government.

After working this out in some detail and determining about what the cost of a 2,500 bed hospital would amount to, I took up the matter again with the owner of the property and told him that my best information was to the effect that it would cost the Government at least \$1,000 a bed, exclusive of the ground, to produce a temporary hospital; that the Surgeon General's department had decided a 2,500 bed hospital was the proper unit and that I would like to have him authorize me to make a proposal to the Government to build on this property a 2,500 bed hospital for the sum of \$2,500,000, being at the rate of \$1,000 a bed, or the amount which the Government would spend on a temporary hospital, exclusive of the ground.

Of course, this meant a very heavy contribution on his part, but after going into it thoroughly and realizing not alone what it would mean to have the wounded soldiers cared for in permanent structures, fireproof, rather than in temporary structures, but

also that an institution of this kind would be of very great benefit to the city of Chicago through the years, he finally consented to have me make the proposal in this way.

I understand that the property, with the improvements, as it stands cost the owners in excess of \$1,500,000.

When I talked this matter over with Secretary Baker he wished to know how it was possible to do this, and I told him that of course it would be impossible unless there was help, but asked him not to question me as we did not want any names to come out in connection with it. I find now that there might be some criticism of Mr. Hodge as he is in the Government employ, and I want it made clear, and it is only fair to Mr. Hodge that it be made clear, that he is to receive no compensation whatsoever; that he understands the situation thoroughly and has said that he was glad to contribute whatever he had hoped to get out of this property to a cause that he thought was an excellent one. At the same time I wish to assure you that my motives in the matter have been those of being helpful. It is my understanding, although I am not quite sure, that Mr. Hodge, when he went into the Government service, turned over this matter, so far as he was concerned, to Clark & Trainor, real estate brokers of Chicago. Mr. Trainor has since entered the employ of the Government. I personally have had no understanding with either Mr. Hodge or Mr. Trainor but am informed that after Mr. Trainor entered the Government service the owners of the property, through their counsel, explicitly advised both Mr. Hodge and his partner, and Messrs. Clark and Trainor, that if the negotiations then pending were proceeded with and a sale to the Government resulted, that no commissions or compensations of any kind could, under the law, be paid to either or any of them, and would not be paid except with the express approval and knowledge of the Government.

I also understand that the owners asked Mr. Hodge and his partner and Clark and Trainor to state if they had any other understanding, for if they did, the owners would not proceed with the negotiations. I am informed that all of those real estate men and their associates agreed that the request of the owners was reasonable and that they were not entitled to and would not claim any compensation. Subsequently, I am informed, a claim was made on the owners, more or less indirectly, on behalf of persons and said to be unauthorized, that if the deal with the Government was consummated, a commission would be payable to one or more of the real estate men referred to. I have also been informed that such demands were not authorized by any of the real estate men referred to. The owners is not willing to proceed with the sale without having the proper governmental authorities advised of this fact and wants this cleared up before making conveyance. I wish you would advise me what I ought to do under the circumstances.

In conclusion I might add that a number of valuations of the land have been received and are on file in the Real Estate Department of the Army, and estimates of the cost of the proposed 2,500-bed permanent hospital have also been made in the Construction Department and by the Government architects in Chicago.

TUESDAY, SEPTEMBER 10, 1918—7 P. M.

This paper was given to me by Jacob Newman and A. D. Erskine in room 211, Hotel Raleigh, to do with as I saw fit.

S. H. H.

(The paper above referred to, which is the paper heretofore marked "B" during the examination of Mr. Jacob Newman, is here printed in full in the record as follows:)

SEPTEMBER 7, 1918.

TO THE SECRETARY OF WAR,  
*Washington, D. C.*

SIR: As you know for many months, through my friendship with Dr. now Col. Billings, of Chicago, I have been interested in the question of Army hospitals in the Chicago district to take care of our wounded soldiers as they are brought home.

While my attention was occupied with this matter of Army hospitals, I learned last spring that a proposition had been made to the Government to construct a 2,000-bed hospital upon the site known as the Speedway Park, and to deliver the hospital complete, together with the land, to the Government for some price, which, if I ever knew, I do not now recall, but the Government rejected the offer, on the ground, as I was informed, that its settled policy was to build temporary hospitals, which are to be scrapped after the war, and not to purchase any lands for hospital purposes.

This Speedway site with others in and about Chicago, was called to my attention, and in company with Surg. Gen. Gorgas, Gen. Noble, and Col. Billings we visited Speedway Park for the purpose of ascertaining its desirability as a hospital location, and we all concluded that if the price was right the site itself was a desirable one. Our inspection of the property indicated that there was a large quantity of building material

on the ground itself, including steel structures, lumber, and other material which could be utilized for the construction of a hospital, and a further investigation satisfied me that the use of the material would greatly reduce the cost of constructing a permanent hospital on this property.

About three or four weeks ago I brought to the attention of Secretary Baker the plan of constructing on the Speedway Park site a permanent fireproof hospital, which could be constructed in about three months and which, together with the 320 acres of land constituting the site, would cost the Government about \$1,000 a bed. Secretary Baker expressed some surprise, because he had been under the impression that the cost would be considerably above that figure. After some general discussion, the Secretary referred the matter to Gen. Jervis, through Dr. Keppel. Negotiations for the building of a hospital upon this site were taken up and continued until they ripened into a draft of contract between the Shank Co. of Chicago and the Government, which was drawn by Capt. A. A. O'Brien, in conjunction with Col. C. C. Wright of the Construction Division of the War Department. This draft of contract refers to designs, plans, and specifications approved by the Surgeon General's Department and the Construction Division of the Army.

The contract seemed ready for execution, except the Government wanted a safe and accurate valuation of the 320 acres of land constituting the Speedway Park side, and accordingly it took steps, through Maj. Holden, of the Real Estate Division, to ascertain the value and is now occupied with that work.

While the work of securing these valuations was in progress, I learned some things which I feel it my duty to call to your attention.

Samuel H. Hodge is in the service of the Government and is employed in the Real Estate Department of the Army. Before he entered the service of the Government he was in the real estate business in Chicago and had been employed, I understand, some time in the year 1917, to sell the Speedway Park to the Government as a site for the building of a series of ordnance buildings, and that the owners had agreed to pay him a commission for his services in case the Government bought the land. This construction project fell through, and then the land was offered to the Government by Mr. Hodge as a hospital site, but was rejected. I am told, on the ground that the Government would not buy any real estate for hospital purposes.

When Mr. Hodge entered the service of the Government I am informed he turned over the handling of the land to the Chicago real estate firm of Clark & Trainer, but to what extent Clark & Trainer handled the matter or had any interest in it I do not know.

It has been intimated to me that some of these real estate agents may claim compensation for their services in bringing this property to the attention of the Government and possibly claim they procured its sale to the Government on the present deal.

In order to satisfy myself as to Mr. Hodge's position, whom I happen to know intimately, I called on him, and he assured me that he did not claim, nor would he under any circumstance accept any commission or compensation for his services in any matter connected with the Speedway Park.

As to Clark & Trainer, I am unable to say what position they take, except to advise you that Mr. Trainer is now in the service of the Government in the Real Estate Department of the Army.

I am informed that counsel for the owners advised Messrs. Hodge, Trainer, and Clark that if the negotiations then pending were proceeded with and a sale to the Government resulted that no commissions or compensation of any kind could or would be paid to either or any of them, because the law forbid it.

Yours, very truly,

SUNDAY, SEPTEMBER 8, 1918—6.30 P. M.

This paper was handed me to read and for comment by Mr. A. D. Erskine, who called on me at my residence that afternoon.

S. H. HODES.

(The paper above referred to, marked "C," is here printed in the record as follows:)

SEPTEMBER 7, 1918.

TO THE SECRETARY OF WAR.

Washington, D. C.

SIR: As you know, for many months, through my friendship with Dr. (now Col.) Billings, of Chicago, I have been interested in the question of Army hospitals in the Chicago district to take care of our wounded soldiers as they are brought home.

While my attention was occupied with this matter of Army hospitals, I learned last spring that a proposition had been made to the Government to construct a 2,000-bed hospital upon the site known as the Speedway Park, and to deliver the hospital complete, together with the land, to the Government for some price, which, if I ever

knew, I do not now recall; but the Government rejected the offer, on the ground, as I was informed, that its settled policy was to build temporary hospitals, which are to be scrapped after the war, and not to purchase any lands for hospital purposes.

This Speedway site, with others in and about Chicago, was called to my attention, and, in company with Surg. Gen. Gorgas, Gen. Noble, and Col. Billings, we visited Speedway Park for the purpose of ascertaining its desirability as a hospital location, and we all concluded that if the price was right the site itself was a desirable one. Our inspection of the property indicated that there was a large quantity of building material on the ground itself, including steel structures, lumber, and other material which could be utilized for the construction of a hospital, and a further investigation satisfied me that the use of the material would greatly reduce the cost of constructing a permanent hospital on this property.

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The contract seemed ready for execution, except the Government wanted a safe and accurate valuation of the 320 acres of land constituting the Speedway Park site, and accordingly took steps, through Maj. Holden, of the Real Estate Division, to ascertain the value, and is now occupied with that work.

While the work of securing these valuations was in progress, I learned some things which I feel it my duty to call to your attention.

[Original torn here and pasted.]

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When Mr. Hodge entered the service of the Government, I am informed, he turned over the handling of the land to the Chicago real estate firm of Clark & Trainer, but to what extent Clark & Trainer handled the matter or had any interest in it I do not know.

It has been intimated to me that some of these real estate agents may claim compensation for their services in bringing this property to the attention of the Government and possibly claim they procured its sale to the Government on the present deal.

In order to satisfy myself as to Mr. Hodge's position, whom I happen to know intimately, I called on him and he assured me that he did not claim, nor would he under any circumstances accept, any commission or compensation for his services in any matter connected with the Speedway Park.

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I am informed that counsel for the owners advised Messrs. Hodge, Trainer, and Clark that if the negotiations then pending were proceeded with and a sale to the Government resulted that no commissions or compensation of any kind could or would be paid to either or any of them, because the law forbid it.

Yours, very truly,

ALBERT W. ERSKINE.

The foregoing is a true and correct copy of a paper consisting of five pages which was handed to S. H. Hodge on Sunday, September 8, 1918, purporting to be a draft of a letter from me to Secretary of War Baker regarding the Speedway Hospital project.

Date, January 26, 1919.

ALBERT W. ERSKINE.



Mr. ADCOCK. Do you know whether Mr. Clark and Mr. Trainer had met Mr. Poppenhusen or Mr. Newman before the meeting of the 25th?

Mr. HODGE. I introduced Mr. Trainer and Mr. Clark and Mr. Poppenhusen. I do not know whether they had met before. I think not.

Mr. BENNET. May I ask Mr. Trainer a couple of questions in relation to this matter while he sits there?

Senator HARDWICK. Yes.

Mr. BENNET. You stated yesterday in your examination that someone had told you that Mr. Hines was not a director of the Commercial National Bank. You recollect that testimony?

Mr. TRAINER. Yes.

Mr. BENNET. Who was it told you that?

Mr. TRAINER. I am not just certain, but I think it was Mr. Levi Mayer.

Mr. BENNET. When did he tell you that?

Mr. TRAINER. I think it was in January.

Mr. BENNET. Before or after the 14th?

Mr. TRAINER. I am not certain.

Mr. BENNET. In Chicago or Washington?

Mr. TRAINER. I think it was in Washington.

Mr. BENNET. And you are quite positive that it was Mr. Levi Mayer that told you?

Mr. TRAINER. I am quite positive.

Mr. BENNET. But you can not place it, whether it was after the 14th of January?

Mr. TRAINER. I know it was in January, either in Chicago or in Washington. I saw him both in Chicago and in Washington.

Mr. BENNET. I will state that Mr. Hines is a director of that bank.

Senator HARDWICK. He testified to that, that he was reelected.

Mr. BENNET. He was, on January 14.

Senator HARDWICK. Am I right about that?

Mr. HINES. Yes, Mr. Chairman.

Senator HARDWICK. I did not understand you to assert it positively, you said that you had heard it?

Mr. TRAINER. I just heard that.

Mr. BENNET. Mr. Hodge, there is no question at all but that Mr. Shank on this date of June 25 knew that you were a Government officer?

Mr. HODGE. None whatever.

Mr. BENNET. And yet, according to your statement, he proposed that you should assist him in the sale of property to the Government and for that should receive compensation, stripped of verbiage?

Mr. HODGE. That is what it is. He did not directly remark to me. He said, as I remember it, "I am willing to pay a commission if it can be sold," whether he meant me or Clark or Trainer or any other real estate broker.

Mr. BENNET. So you do not now state that Mr. Shank made that offer to you?

Mr. HODGE. No; I did not so understand it.

Mr. BENNET. Did you so understand it at the time that he made any offer to you?

Mr. HODGE. No; I did not, because my statement to Mr. Newman was pretty clear on that.

Mr. BENNET. And if Mr. Shank made that statement, as you have testified here to-day, it was your then impression that he was making that offer to Mr. Trainer and Mr. Clark, is that right?

Mr. HODGE. Yes.

Mr. BENNET. They were the only real estate men present?

Mr. HODGE. Yes.

Mr. BENNET. What did he say that led you to think that he was offering it to them and not to you?

Mr. HODGE. Just a supposition that Mr. Shank knew when I entered the service on the 15th, I had told him that I could not any longer represent their property; that I was negotiating with Chicago people for different buildings to be erected for Government occupancy, and we had an ordnance building 400,000 square feet under consideration, and I told him, "George, here is where you are getting a real estate broker's services without having to pay a commission."

Mr. BENNET. But in the language you testified 10 or 15 minutes ago, apparently all the real estate men were included in Mr. Shank's offer?

Mr. HODGE. Well, Mr. Shank's offer was a general offer made, in a free-handed, liberal sort of a way, and I have made no criticism of Mr. Shank.

Mr. BENNET. Let us see. There were persons in the room, Mr. Shank, of course he was not offered any compensation, and Mr. Poppenhusen, he was a lawyer, and Mr. Newman, he was a lawyer, and the remaining three were all real estate men.

Mr. HODGE. Yes.

Mr. BENNET. And the statement as you have testified to was an inclusive statement, was it not?

Mr. HODGE. Generally inclusive statement, that he wanted to sell the Speedway property, and was willing to pay a commission if it could be sold.

Mr. BENNET. And you understood from the language that he used, whether that is it literally, or substantially, that he was offering a commission for the sale of the property to persons in that room, the sales to be made to the United States Government?

Mr. HODGE. He did not mention the Government.

Mr. BENNET. Was not the hospital project discussed at that time?

Mr. HODGE. It was informally discussed.

Mr. BENNET. Well, for all that happened on the meeting of June 25, this might have been a proposal on Mr. Shank's part to sell the Speedway property, we will say, to the Illinois Central Railroad?

Mr. HODGE. I never understood Mr. Shank to be particular about the customer whom he sold to. He wanted to sell it, whether to a man who had a contract to manufacture munitions for the Government or for hospital or for a warehouse or for any industrial purpose, that had no relation or connection with the Government.

Mr. BENNET. And the impression that was left on your mind at that time was simply that that was an offer of commission for the sale of the property?

Mr. HODGE. That is the idea.

Mr. BENNET. Why did Mr. Newman call your attention to the fact that being an officer of the United States Government if you took a commission there was a penal statute?

Mr. HODGE. Mr. Newman may have thought that I wanted a fee or commission.

Mr. BENNET. You would have a right to take a commission if you sold it to the Illinois Central Railroad.

Mr. HODGE. But Mr. Newman had a right to think if I represented Mr. Shank and took a commission for the sale of the property we would be subject to a penalty.

Mr. BENNET. Is the testimony that the language produced one impression on you and another on Mr. Newman?

Mr. HODGE. Yes; I would say that.

Mr. BENNET. You understood all this was a general offer from Shank to any one who were present, three of whom were real estate men, that if they would sell the property to anybody, and Mr. Newman apparently interpreted that as meaning a sale of that property to the Government for hospital purposes?

Senator HARDWICK. I see in this memorandum that they have submitted, that Mr. Erskine in the statement that was prepared for him to make—

Mr. BENNET. I do not know whether it was ever filed.

Mr. HODGE. No; it was never filed.

Mr. BENNET. That statement that was prepared by him or for him, either way for the Secretary of War, he makes a statement that at the time you went into Government service, having the Speedway property at that time, listed, on your books, for sale, you turned it over to Clark & Trainer.

Mr. HODGE. I do not know where he got that idea. I could not. I represented Mr. Shank.

Senator HARDWICK. That paper is in there.

Mr. HODGE. I do not know why he made that statement because I did not turn it over to Clark & Trainer. I could not have, Senator.

Mr. BENNET. This is here in a different form. The statement was that it was an understanding.

Senator HARDWICK. The idea was that Clark & Trainer had succeeded you as real estate brokers.

Mr. BENNET. After Mr. Hodge had entered the service of the Government. I am not clear to what extent Clark & Trainer handled the matter.

Senator HARDWICK. You say that is true?

Mr. HODGE. I did not. I had no right to.

Mr. BENNET. You did not turn it over to Clark & Trainer?

Mr. HODGE. I did not.

Mr. BENNET. At that meeting on June 25—do you know Mr. H. B. Wheelock, of Chicago?

Mr. HODGE. Yes, sir.

Mr. BENNET. And you did know him then?

Mr. HODGE. Yes, sir.

Mr. BENNET. Was he present at that meeting of June 25?

Mr. HODGE. No, sir.

Mr. BENNET. Were not the plans of the proposed hospital on the Speedway property present?

Mr. HODGE. No, sir.

Mr. BENNET. And did not Mr. Wheelock show them to those of you who were there?

Mr. HODGE. No, sir.

Mr. BENNET. Nothing of that kind occurred?

Mr. HODGE. No.

Mr. BENNET. Sometimes there are infirmities of recollection. If Mr. Poppenhusen and Mr. Shank and Mr. Wheelock all swear that those plans were there and discussed at that time, you would still say that they were not?

Mr. HODGE. I have a pretty good memory, Mr. Bennet, and I think the gentlemen have the plans of the building mixed with the meeting of July 2. There were no plans.

Mr. BENNET. At the meeting of June 25?

Mr. HODGE. No; in fact I believe those plans were prepared after that meeting. It was merely a sketch plan—a pencil drawing as I remember it.

Mr. BENNET. When did you see those pencil drawings?

Mr. HODGE. July 2.

Mr. BENNET. And that is the first you saw of them?

Mr. HODGE. Yes, sir.

Mr. BENNET. And the first you saw Mr. Wheelock in connection with this matter?

Mr. Hodge. Yes, sir.

Mr. BENNET. Now the testimony here—you are not familiar with the testimony, I take it?

Mr. HODGE. No.

Mr. BENNET. There is testimony here that on a date between the 27th of June and the 2d of July there was a meeting in Mr. Newman's office, in Mr. Poppenhusen's room—not the meeting of June 25 at all but another one—at which there were present Mr. Newman, Mr. Poppenhusen, Mr. Clark, Mr. Trainer, and yourself. Did such a meeting as that occur?

Mr. HODGE. No; and if Mr. Newman and Poppenhusen have sworn that such a meeting occurred they are mistaken.

Mr. BENNET. Was there said at that meeting in substance this by Mr. Newman, with a good deal of heat and vehemence, and almost brutal directness, that if any person in the Government service asked for compensations in connection with the Speedway, that would be a violation of the Federal penal statutes, and that the person who took the money and the person who gave the money both would take a chance of the penitentiary, and that if anything of that kind were attempted he would advise Mr. Hines at once to withdraw from the whole proposition, and his office would be through with it, and if he found out that any money was given for commissions, that he and Mr. Poppenhusen would be the first to inform the Government of that fact?

Mr. HODGE. He addressed his remarks to everybody present in the room, Mr. Shank included.

Mr. BENNET. And you say that that occurred at the meeting of June 25?

Mr. HODGE. June 25.

Mr. BENNET. Was Mr. Newman calm?

Mr. HODGE. Mr. Newman is a forcible talker. I do not think he was excited or angry or mad. He did not show any of that to me.

Mr. NEWMAN. Did he state it in an ordinary conversational tone?

Mr. HODGE. Mr. Newman speaks with some force when he talks.

Mr. BENNET. We have had him on the witness stand for several days.

Mr. ADCOCK. We know that.

Mr. BENNET. We do not know that always.

Senator BECKHAM. Was what he said brought out by what Mr. Shank said, or by something that you or Mr. Trainer or some one else had said?

Mr. HODGE. By what Mr. Shank had said, I take it. I take it that he was informing Mr. Shank and at the same time giving us the benefit of his opinion.

Mr. BENNET. Mr. Shank and Mr. Newman are both positive that Mr. Shank was not present at the meeting at which you, Mr. Clark, and Mr. Trainer were present, at which meeting that language was used by Mr. Newman.

Mr. HODGE. Mr. Shank was there, Mr. Bennet, because I talked with him.

Mr. BENNET. If he so testified under oath he has testified to something that did not occur?

Mr. HODGE. They are entirely mistaken.

Mr. BENNET. The same thing with Mr. Newman?

Mr. HODGE. Yes, sir.

Senator HARDWICK. That is argument.

Senator BECKHAM. There is no need of pointing out conflict of testimony. The committee will take into consideration matters of that kind.

Mr. BENNET. There is some testimony here that on the 27th of January last, which was a Monday, you had a conversation in Gen. Goethal's department with Mr. Hines. That is correct, is it not?

Mr. HODGE. You were in my office Monday morning, following the Saturday on which Mr. Newman testified that I was in his office, and that I was there looking for a part of the commission.

Mr. BENNET. Who told you on the Saturday preceding that you had been in his office looking for a commission?

Mr. HODGE. Mr. Adcock and Mr. Trainer.

Mr. BENNET. They went from the meeting here to your office or house?

Mr. HODGE. They came into my office about 6 o'clock in the afternoon and told me.

Mr. BENNET. That was the time that you gave Mr. Adcock these documents?

Mr. HODGE. No, sir.

Mr. BENNET. You gave them to him later?

Mr. HODGE. Yes.

Mr. BENNET. And this Monday morning that you had a talk with me, that was the first time you had ever seen me?

Mr. HODGE. Yes.

Mr. BENNET. Did you tell me at that time, in any way, form, or substance, that Mr. Shank at the time subsequent to your informing him that you were in the Government service had offered you compensation of any kind in connection with the Speedway?

Mr. HODGE. Before I entered the Government service?

Mr. BENNET. Afterwards.

Mr. HODGE. No, sir.

Mr. BENNET. You did tell me that before you entered the Government service you had had the exclusive handling of this property?

Mr. HODGE. Yes, sir.

Mr. BENNET. And that at one time you had had an offer, as I recall it, of \$750,000?

Mr. HODGE. I did.

Mr. BENNET. For it?

Mr. HODGE. Yes.

Mr. BENNET. And you also told me that the land was worth somewhere around \$2,000 an acre?

Mr. HODGE. I did.

Mr. BENNET. But you never uttered a word to me with respect to this alleged incident in relation to the offer of compensation to you by Mr. Shank after you entered the Government service?

Mr. HODGE. No.

Mr. BENNET. Mr. Hines was with me during the whole conversation?

Mr. HODGE. Yes.

Mr. BENNET. And what you have answered in relation to me of course applies equally to him?

Mr. HODGE. Yes.

Mr. BENNET. This land that was bought by the Drainage Commission, what connection did you have with that?

Mr. HODGE. I valued that in connection with three or four other properties for the Drainage Board.

Mr. BENNET. Was that your connection with it, as an expert rather than a real estate agent?

Mr. HODGE. Correct.

Mr. BENNET. And upon your valuation the Drainage Commission paid \$975 per acre?

Mr. HODGE. \$950 per acre.

Mr. BENNET. And I think that you said to Mr. Hines and myself with some heat, with some emphasis, that the price of \$600 that had been placed on the property was absurdly low.

Mr. HODGE. Yes.

Mr. BENNET. Now you had asked a valuation on that property of Mr. Wallis Clark, had you not, as you testified?

Mr. HODGE. Yes.

Mr. BENNET. You regard Mr. Clark as a judge of values in Chicago?

Mr. HODGE. Yes.

Mr. BENNET. You must have, or you would not have asked him.

Mr. HODGE. Pardon me just a moment. I asked Mr. Clark to get the real estate board to place a valuation on it, and that if he could not get them to act to get other real estate men to see the property and make a valuation, and to get the valuation in here.

Senator HARDWICK. Was Mr. Clark a member of that committee?

Mr. HODGE. No, sir.

Mr. BENNET. Have you ever asked Mr. Clark for any explanation as to why it was that the experts that he had selected had placed a valuation on that land of \$600 an acre?

Mr. HODGE. I never asked him. I have talked to him about it, and we both agreed that the valuation was low.

Mr. BENNET. But the result of your particular channel of inquiry was to report a value on the land which, according to your testimony, was about a third of the real value of the land?

Mr. HODGE. Yes.

Mr. BENNET. When you said \$2,000 an acre you did not include the sewers and things of that sort?

Mr. HODGE. Yes; all improvements on the property.

Mr. BENNET. I will correct that. A value of \$600 would be less than 50 per cent of the real value of the land?

Mr. HODGE. Yes.

Mr. ADCOCK. Without them.

Mr. HODGE. Without the improvements.

Mr. BENNET. The naked land.

Mr. HODGE. Yes.

Mr. BENNET. That is all.

Mr. ADCOCK. You know Mr. Shank very well?

Mr. HODGE. Yes, sir.

Mr. ADCOCK. You know his habit of thought?

Mr. HODGE. Yes, sir.

Mr. ADCOCK. You know that he would not suggest anything wrong if he thought it was wrong?

Mr. BENNET. The committee has limited me.

Senator HARDWICK. I think we had better leave out these opinions and guesses.

Mr. ADCOCK. At the time you talked to Mr. Bennet and Mr. Hines in your office on the day that they saw Gen. Goethals, was the subject of your talk with Mr. Shank in September discussed at all?

Mr. HODGE. I did not talk with Mr. Shank in September I talked with Mr. Newman and Mr. Erskine.

Mr. ADCOCK. No; but at the time you talked with Mr.—

Mr. HODGE. I beg your pardon—the talk in September—there was no mention made of it at all.

Mr. ADCOCK. You did not volunteer anything?

Mr. HODGE. No; I did not think it was necessary. They came in to tell me that they had called on the General, and I passed pleasant-ries of the time with them, and told Mr. Bennet about the valuation, and gave Mr. Hines a copy of the opinion which I had obtained in connection with the valuation of the property adjacent to the Speedway.

Mr. ADCOCK. The time that Mr. Newman testified, I think, was January 27. That was a week ago last Monday. He came to your office, and I think I had a talk with you alone?

Mr. HODGE. Yes.

Mr. ADCOCK. And that was the first time that I had seen you since I arrived in Washington the night before?

Mr. HODGE. It was.

Mr. ADCOCK. I then told you that I was surprised that Mr. Newman had made this statement, did I not?

Mr. HODGE. Yes, sir. So was I.

Mr. ADCOCK. I then went over the whole matter with you, did I not?

Mr. HODGE. Yes, sir.

Mr. ADCOCK. And you related to me the circumstances, and the conversations of June 25 and July 2, which was substantially as you have told us here on the stand?

Mr. HODGE. I did.

Mr. ADCOCK. I think that is all.

Senator BECKHAM. Mr. Hodge, you are very familiar with this Speedway proposition, and as I understand it you had it listed on your books for sale and conducted some negotiations with regard to it?

Mr. HODGE. Yes.

Senator BECKHAM. Let me ask you your opinion about the proposition which was submitted to the Government in the contract that was signed by Mr. Shank, but not approved finally by the Secretary of War. Do you consider that proposition a good one or a profitable one to the owners or do you consider it more of a charitable proposition?

Mr. HODGE. I know nothing of the building except what Mr. Shank has told me and what I saw in October when I was in Chicago at the quartermaster's meeting, at which time I went out and looked at the property with Mr. Trainer and Col. Northington and Mr. Schmidt, and it is my opinion that the Government at the price of \$2,500,000 for the land and the building which was under construction was a very great bargain. In fact, from what Mr. Shank had told my representative when we were discussing this hospital building, when he and I were in Washington a year ago last month, I did not see how he could do what he intended to do and get anything out of his land at all.

Senator BECKHAM. In your opinion, then, the proposition involved a sacrifice on the part of the owners of a large part of the value of the land?

Mr. HODGE. Yes.

Senator HARDWICK. Any questions, Mr. Bennet?

Mr. BENNET. Just one. At this meeting at which you testified that Mr. Newman and Mr. Shank were present at the Hotel Raleigh, were you asked to sign any paper?

Mr. HODGE. No.

Mr. BENNET. Did you or did you not make a statement to those gentlemen that there was no necessity of anything being signed, that so far as Mr. Shank was concerned he had never tried to give you any commission in connection with the sale of the Speedway to the Government, and did you give that as a reason why there was no necessity for signing a paper?

Mr. HODGE. Mr. Shank understood me, and I was quite clear.

Mr. BENNET. I am talking about the conversation where Mr. Newman was.

Mr. HODGE. I want to get the conversation, Mr. Bennet, if you want it to go in the record, in the right way, and I think that you do; that Mr. Shank understood my position, he understood it, and when I entered Government service he understood it again before the meeting on June 25, and I confess I was a little bit disturbed—I was not a little bit but I was greatly disturbed, and I could not see at that moment why I should prepare a statement to file with anybody, because I felt so sure, after the telephone call had gone in to Mr. Shank, that when I saw Mr. Shank the whole matter would be satisfactorily explained and there would be no further talk about it.

Mr. BENNET. So far as I can find out from your testimony—and you will correct me if I am wrong—Mr. Shank was urgently, vehemently, attempting to force upon you a commission for which you had made no claim, and you were vigorously resisting his attempt.



Mr. HODGE. Mr. Shank in his goodheartedness wanted to compensate me for work which I had done prior to entering the Government service.

Mr. BENNET. And there was not any question that night of anybody signing anything except Mr. Erskine, and on his part it was a voluntary act, in order to protect you against something that had arisen after Mr. Newman had stated to you the warning that had come from this source to you and Mr. Hines against the action of the Chicago Tribune?

Mr. HODGE. That is correct.

Mr. BENNET. And you do not understand that Mr. Newman or Mr. Erskine, either of them, asked you to do any improper act on that night in question?

Mr. HODGE. God bless your soul, no, sir; far from that.

Senator HARDWICK. Are there any other questions? Does that cover it? Have you any more questions, Senator France?

Senator FRANCE. No.

Senator HARDWICK. Then the witness is excused with the thanks of the committee for his attendance.

Now, have you got another real short witness here?

Mr. ADCOCK. I have not any that I could put on just now. I could go ahead——

Senator HARDWICK. Mr. Bouvier, did you have any testimony that you wanted to put in?

Mr. BOUVIER. I was waiting until the conclusion of Mr. Adcock's testimony, and all these gentlemen in the military service are very much employed, and I told them that I would not keep them here, on that account.

Senator HARDWICK. Very well, then we will have to adjourn until to-morrow.

(At 4.35 o'clock p. m. the committee adjourned until to-morrow, Friday, February 7, 1919, at 10.30 o'clock a. m.)

## MILITARY HOSPITALS.

FRIDAY, FEBRUARY 7, 1919.

UNITED STATES SENATE,  
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS,  
*Washington, D. C.*

The subcommittee met at 10.30 o'clock a. m.

Present: Senators Hardwick (acting chairman), Beckham, Trammell, France, and Lenroot.

### TESTIMONY OF MR. CONRAD H. POPPENHUSEN—Resumed.

Mr. ADCOCK. Mr. Poppenhusen, you have been sworn in this case heretofore, have you not?

Mr. POPPENHUSEN. I have.

Mr. ADCOCK. Were you ever attorney for Mr. Hodge?

Mr. POPPENHUSEN. No. I knew him very intimately for a good many years, and I had a good many business dealings with him, but I was never his attorney.

Mr. ADCOCK. You never were his general counsel, or anything like that?

Mr. POPPENHUSEN. No.

Mr. ADCOCK. When did you first talk to Mr. Hodge about the Speedway hospital project?

Mr. POPPENHUSEN. Some time during May; possibly during the first part of June; but I think it was about the first of May.

Mr. ADCOCK. And that was merely with reference to the manner in which you should present the matter to the Government?

Mr. POPPENHUSEN. Generally speaking, yes. I was in Washington three or four times between the first of May and the first of July, and our firm had been consulted by Mr. Hines prior to that time about this Speedway matter. I had that information from Mr. Newman. I do not recall that I personally talked to Mr. Hines about it. I was in Washington on other business and, Mr. Newman asked me before I came down on several trips to stay long enough to find out something about the hospital situation. I knew that Mr. Hodge was in Washington in some capacity, but I did not know just what he was doing in Washington.

Mr. ADCOCK. You were very good friends, were you not?

Mr. POPPENHUSEN. Very; yes.

Mr. ADCOCK. And you felt that you could advise with him as a friend?

Mr. POPPENHUSEN. Let me tell you. When I got to Washington here I found out that he was connected with the War Department, and I had a great deal of difficulty in locating him. I saw him at the War Department. I was anxious to see him about another matter, where he had conducted negotiations for the sale of a large piece of vacant land to one of the railroads; and then Federal control had

intervened, and my clients were anxious to dispose of that property, and were willing to shade the price, and I was anxious to see Mr. Hodge on that matter, because I wanted to know whether there was any chance of doing anything; and when I found him in the War Department, thinking he was in the real estate and supply division, I talked to him about the Speedway matter, and I learned from him then for the first time that he had originally presented that matter to the Government before he was in the Government employ, I think first for a warehouse purpose and then afterwards for a hospital purpose; and, if I remember correctly, he told me that he had two or three trips to Washington. When I talked to Mr. Hodge, he told me that there was no chance to revive the project; it had been turned down.

Mr. ADCOCK. As far as storage was concerned?

Mr. POPPENHUSEN. Well, for hospital purposes.

Mr. ADCOCK. Or for hospitals?

Mr. POPPENHUSEN. He told me it had been turned down either by Dr. King or by Dr. Hornsby, I do not remember which; and he said that there was no chance to revive it, in his judgment, at least not at that time, because they had no plans here at all, and he thought that very soon the casualty reports would come in, and then the emergency for hospitals would be very great; and, as I understood him, he said that the legislation under which the War Department was operating at that time only permitted them to lease temporarily buildings for emergency use, or put up temporary buildings. I tried to find out from him to whom we should present such a proposition. I had no plan in mind. Our firm did not have any plan in mind.

Mr. ADCOCK. Did you talk to him at that time about Mr. Erskine?

Mr. POPPENHUSEN. I do not think I did. I talked to him about Mr. Erskine on one trip in June, I think.

Mr. ADCOCK. Was that early in June?

Mr. POPPENHUSEN. I could not say when it was in June. I know I was here once in June, when I tried to locate Mr. Hodge again. His office had moved.

Mr. ADCOCK. From the Mills Building?

Mr. POPPENHUSEN. I do not know whether it was from the Mills Building or what, but I could not find him; and I also found that he had left the Shoreham Hotel, where he had stopped previously. On one other trip I saw him in Washington, which was, I should say, about the 20th or 21st of June, and when I arrived in Washington I telephoned the Country Club, where I understood he was stopping.

Mr. ADCOCK. The Columbia Country Club?

Mr. POPPENHUSEN. Yes, the Columbia Country Club. And I was told by the operator that he had left for Chicago; and the operator could not tell me whether he had left in the morning or whether he was leaving at noon or at night. I know I went over to the 12.30 train to see him before he went to Chicago, and did not find him. Late in the afternoon he called me up at the Willard. On that day it was raining very hard, and he told me he was on the sick list, and I took a car and called for him, and we went out to the Columbia Country Club and had dinner, and he went to bed almost immediately after dinner; I know it was before 8 o'clock; and he went to Chicago the next day.

**Mr. ADCOCK.** Did you talk to him at that time about Mr. Erskine? Did you say that you would ask him about Mr. Erskine, and that Mr. Erskine had been represented to you or you understood he was very well connected in Washington?

**Mr. POPPENHUSEN.** What I did say to him was this: He wanted to know when I was going to go to Chicago, and I told him I was not going to Chicago until after I had seen Mr. Erskine; I was very anxious to see Mr. Erskine. Mr. Erskine was at his class reunion in Yale at that time. I know I had talked to Mr. Hodge about Mr. Erskine prior to that time, but I can not place the exact time.

**Mr. ADCOCK.** Do you remember making a statement to Gen. Stotesbury in regard to this matter, or an affidavit?

**Mr. POPPENHUSEN.** Well, neither an affidavit nor a statement. I signed a statement. I never saw Gen. Stotesbury.

**Mr. ADCOCK.** You never saw Gen. Stotesbury?

**Mr. POPPENHUSEN.** No.

**Mr. ADCOCK.** Did you dictate the statement?

**Mr. POPPENHUSEN.** No; I did not.

**Mr. ADCOCK.** Who dictated it? I show it to you. [Handing paper to witness.] I think that is a photograph of the original—we have photostatic copies—if you have not seen it, Mr. Poppenhusen.

**Mr. POPPENHUSEN.** I will tell you how that was prepared; at least, I will tell you what I know about it. Mr. Newman called me up. I was out of the city. I was down at French Lick Springs, and Mr. Newman called me up on the telephone and told me that Gen. Stotesbury was in Chicago and wanted to see me.

**Mr. ADCOCK.** This was in November?

**Mr. POPPENHUSEN.** It was just after the election. I went down the day after election, or two days after election; I do not recall which. I went down there on the day of the false alarm of the armistice. It was a day or so after election, I think; and he wanted to know if I would not come back to Chicago, and I told him that I did not like to come back to Chicago. "Well," he said to me, "supposing you write what you know about it, and I will submit it." Well, I could not get a stenographer down here, and I wrote out my recollection of the matter, and I got this [referring to paper] a few days later from our office, I think; and I was requested to sign it and send it to Washington. I made some corrections in it. These corrections here are all in my handwriting.

**Mr. ADCOCK.** You did not take the oath when you signed it?

**Mr. POPPENHUSEN.** No; I signed it and sent it. I think I sent it to Mr. Newman in Washington. It is dated the 13th day of November, I see.

**Mr. ADCOCK.** Now, Mr. Hodge was in Chicago from about the 22d or 23d of June, you think, until anyway after the 2d of July.

**Mr. POPPENHUSEN.** He returned to Chicago I think two days before I left Washington. I arrived in Chicago on the morning of the 24th, and Mr. Hodge arrived there either one or two days before.

**Mr. ADCOCK.** Do you remember a conversation where the subject of commissions was mentioned, at which conversation there were present Mr. Trainer, Mr. Clark, Mr. Hodge, and others, at your office?

**Mr. POPPENHUSEN.** Yes. That was on the 28th day of June.

Mr. ADCOCK. That was the only conversation at which you were present when Mr. Hodge, Mr. Trainer, and Mr. Clark were present, when commissions were mentioned; was it not?

Mr. POPPENHUSEN. Yes. It was the only time when there was any discussion about commissions by anybody in my presence.

Mr. ADCOCK. I see. Then if the statement is made that you had a conversation with Mr. Clark about commissions, you and Mr. Newman afterwards, you do not recollect any such conversation?

Mr. POPPENHUSEN. Yes, I do; I did not mean it that way. You said when those men were present.

Mr. ADCOCK. Well, all right. I will get back then, to that—when those three men were present.

Mr. POPPENHUSEN. Yes; it is the only time when those three men were present.

Mr. ADCOCK. How do you place the day as the 28th of June?

Mr. POPPENHUSEN. My charge ticket showed that we had three meals at our office following my return from Washington. I arrived in Chicago on the morning of the 24th. The first meeting took place on the 25th.

Mr. ADCOCK. How did that meeting come about?

Mr. POPPENHUSEN. As soon as I got back from Washington I told Mr. Newman that I had seen Mr. Hodge only a short time, and I had not talked with him about the Speedway matter in any detail, because he was returning to Chicago, and I was very anxious to have Mr. Hodge meet Mr. Newman, and I tried to reach Mr. Hodge on the 24th all day. He was not reported at his office, and they were trying to locate him for me. His office was trying to locate him for me. I also got his house, or tried to get his house, in the evening. He was in bed when I called him. That was early in the evening, I should say about 7 o'clock; but he got my message, and he came to the office early on the 25th, and I introduced him to Mr. Newman.

Mr. ADCOCK. Was Mr. Trainer there?

Mr. POPPENHUSEN. Mr. Trainer came in a very short time after Mr. Hodge came to our office.

Mr. ADCOCK. They were not there together? They did not come together?

Mr. POPPENHUSEN. My recollection is that they did not come together.

Mr. ADCOCK. Mr. Hodge introduced you to Mr. Trainer and Mr. Clark, did he not? Did he not introduce you at the same time to both gentlemen?

Mr. POPPENHUSEN. No; Mr. Clark was not at our office on the 25th.

Mr. ADCOCK. No; I am asking you the question: Were you not introduced to Mr. Clark and Mr. Trainer, or were not they introduced to you, at the same time?

Mr. POPPENHUSEN. No; they were not introduced to me at the same time. Mr. Hodge introduced me to Mr. Trainer. I thought I had met him before, and I still think that I had met him before, somewhere. I can not recall, though, in what connection I did meet him; but I was under the impression that I had met him before, knew him slightly, and Mr. Hodge introduced him to me in our office on the morning of the 25th, and he also introduced him to Mr. Newman.

Mr. ADCOCK. Now, your charge book shows a meeting on that date, does it?

Mr. POPPENHUSEN. Yes; it does.

Mr. ADCOCK. At which Mr. Trainer was present, and Mr. Hodge?

Mr. POPPENHUSEN. Yes.

Mr. ADCOCK. The charge book does not show any other meeting naming those gentlemen except on July 2?

Mr. POPPENHUSEN. Yes; it does; it shows it on the 28th. Now, I will tell you what happened.

Mr. ADCOCK. Mr. Newman stated here the other day that he had looked through the charge book, and said that it did not show any meeting.

Mr. BENNET. I beg pardon. Mr. Newman said that his charge book did not give any names on the 28th—not Mr. Poppenhusen's. There was some testimony that each made a charge slip.

Mr. POPPENHUSEN. After Mr. Newman and I had a few minutes' talk with Mr. Hodge and Mr. Trainer on the morning of the 25th; we talked to him generally about the situation; we were trying to find out—

Mr. ADCOCK. Who else was present then?

Mr. POPPENHUSEN. At first nobody was present, but almost immediately—that is, after a few minutes' conversation—they wanted to see the plans. We were discussing about the plans. They wanted to see what we had, and I telephoned to Mr. Shank, either I or Mr. Newman—I think I did—and asked him if he would not come over and bring his architect along and bring the plans along, and they came over within a very short time.

Mr. ADCOCK. How did the meeting of July 2 come about?

Mr. POPPENHUSEN. I could not tell you, Mr. Adcock.

Mr. ADCOCK. That was in Mr. Newman's office?

Mr. POPPENHUSEN. That was in Mr. Newman's office. That was in the afternoon.

Mr. ADCOCK. The meeting which you say took place you think on June 28, how did that come about?

Mr. POPPENHUSEN. I can not tell you that. I do not know.

Mr. ADCOCK. Mr. Hodge was there?

Mr. POPPENHUSEN. Mr. Hodge was there; yes.

Mr. ADCOCK. And you do not remember telephoning to Mr. Hodge. It was in your office, you say?

Mr. POPPENHUSEN. I have a very distinct recollection that I telephoned Hodge more than once after my return to Chicago and asked him to come over. There was a personal matter that he was very much interested in about which he wanted to see me, an application for membership in a club where there had been a mix-up, and they had put him on the deferred list, or something. He wanted me to get that straightened out for him.

Mr. ADCOCK. That was the Glen View Country Club?

Mr. POPPENHUSEN. Yes; and I know I telephoned to the secretary of the club one day when he was in my office and could not get any information, and I am sure I telephoned him more than once to come to our office. I left a message there that I wanted to see him.

Mr. ADCOCK. On the 25th, how did it happen that Mr. Trainer came to your office?

Mr. POPPENHUSEN. I do not know.

Mr. ADCOCK. You did not telephone him?

Mr. POPPENHUSEN. I did not telephone him; no.

Mr. ADCOCK. You never telephoned him to come to your office?

Mr. POPPENHUSEN. No; I never telephoned him to come to my office.

Mr. ADCOCK. You do not know that your office ever did?

Mr. POPPENHUSEN. Not to my knowledge. I never knew that Mr. Trainer had any connection with it in any way until he was introduced to me by Mr. Hodge on the morning of the 25th.

Mr. ADCOCK. Was it your understanding that Mr. Hodge asked him to go there?

Mr. POPPENHUSEN. I could not tell.

Mr. ADCOCK. You do not know how he would know of the meeting that was to take place, do you?

Mr. POPPENHUSEN. Well, I do not know anything about it of my own knowledge.

Mr. ADCOCK. You never heard, did you?

Mr. POPPENHUSEN. No. I have had my own idea about it. I think he happened to come there on the morning of the 25th, to our office, because he was trying to locate Mr. Hodge, and found that he was at our office. Now, that is just a guess. I do not know.

Mr. ADCOCK. That is the only thing you know about it?

Mr. POPPENHUSEN. That is the only thing I know about it.

Mr. ADCOCK. And that is a mere surmise, so to speak; is it?

Mr. POPPENHUSEN. Just a surmise.

Mr. ADCOCK. A thought on your part?

Mr. POPPENHUSEN. Yes. I know that I sent for Mr. Hodge, and I tried to reach him at least half a dozen times on the 24th, the day I came back from Washington to Chicago.

Mr. ADCOCK. After the supposed meeting on the 28th, you say, when did Mr. Clark come to your office, as you say?

Mr. POPPENHUSEN. Mr. Clark came in, I think, a few minutes after Mr. Trainer. I do not think they came in together.

Mr. ADCOCK. When did you next see Mr. Clark?

Mr. POPPENHUSEN. Well, I think it was soon after that meeting.

Mr. ADCOCK. That day?

Mr. POPPENHUSEN. That day; yes.

Mr. ADCOCK. He came alone?

Mr. POPPENHUSEN. Yes; he came alone.

Mr. BENNET. Which meeting is this, now?

Mr. POPPENHUSEN. The 28th.

Mr. ADCOCK. And you say he said he was not in the Government service and wanted to know if he could get a commission?

Mr. POPPENHUSEN. Well, he did not say exactly that. I do not know that I can recall his exact words, but he asked whether an arrangement could not be made with him, and Mr. Newman asked him if he and Mr. Trainer were partners, and said yes, and then he said it would not make any difference. Mr. Newman would not discuss it with him.

Mr. ADCOCK. Did he make any demands or threats?

Mr. POPPENHUSEN. No.

Mr. ADCOCK. Did he attempt to extort a bribe?

Mr. POPPENHUSEN. No.

Mr. ADCOCK. Did Mr. Trainer at the meeting when commissions were discussed, when Mr. Trainer and Mr. Clark and Mr. Hodge were present, make a demand?

Mr. POPPENHUSEN. No; I think quite the contrary. He seemed to be entirely satisfied that he could not get a commission when Mr. Newman talked to him.

Mr. ADCOCK. Did you understand from his talk, from the way the conversation took place, that he was attempting to extort money by reason of his official position?

Mr. POPPENHUSEN. No, no.

Mr. ADCOCK. Or the fact that he was about to enter the Government employ?

Mr. POPPENHUSEN. No.

Mr. ADCOCK. Or that he was attempting in any way to use that position to extort a bribe?

Mr. POPPENHUSEN. No. I never got that impression at all.

Mr. ADCOCK. You never got that impression at all?

Mr. POPPENHUSEN. No. The impression that I got—you see, he was a stranger to me; that is, I did not know anything about him; I do not know how he came there—but the impression that I got was that he had had something to do with it; that is, in offering the property.

Mr. ADCOCK. What is that?

Mr. POPPENHUSEN. I say, the impression that I got was that he had had something to do with offering the property; selling it.

Mr. ADCOCK. Previously?

Mr. POPPENHUSEN. Yes.

Senator HARDWICK. Excuse me just a minute. When you were holding a meeting in your office about an important business matter, did you not have to know why the different men who came in got in there? Could anybody just butt into the meeting that wanted to, in Chicago—come up from the street and walk into your office and participate in the thing?

Mr. POPPENHUSEN. No, Senator. I had known Mr. Hodge for a great many years.

Senator HARDWICK. I am speaking about Trainer, though.

Mr. POPPENHUSEN. Well, I know; but, now, he came into the office that morning, and Mr. Hodge introduced him to me, and he told me that Mr. Trainer was going to be associated in that same department down in Washington, and we had a few words on general things, and then Mr. Newman and I told him that we were very anxious to present this proposition down in Washington in the right way, and we did not know where to present it or how to present it, and apparently there were changes all the time, and we wanted to find out what we ought to do; and they wanted to know what plans we had, whether the plans had been completed, and I think they also examined the proposal, and we sent for Mr. Shank and his architect, Mr. Wheelock, and we went all over that, and Mr. Trainer made some very good suggestions as to what ought to be done. Now, there was not a word said about commissions at all on that occasion.

Senator HARDWICK. On the 25th?

Mr. POPPENHUSEN. On the 25th.

Senator HARDWICK. When was the commission subject first mentioned?



Mr. POPPENHUSEN. That was on the 28th.

Senator HARDWICK. Who mentioned it first?

Mr. POPPENHUSEN. Mr. Trainer.

Senator HARDWICK. How? What did he say?

Mr. POPPENHUSEN. Well, he said there ought not to be any misunderstandings, and the amount of his commission or compensation ought to be determined. Now, he and Mr. Newman were both talking at the same time. Mr. Newman was rather heated. Now, I did not look at it at the time, and have never looked at it since, from exactly the same standpoint that Mr. Newman looked at it. There was only one thing about it that disturbed me and that was the question of the validity of the contract. I knew what clauses were inserted by the Government in contracts, and I was entirely satisfied after that meeting that if Mr. Trainer had any commission, or thought he had any commission or any right to claim a commission by reason of anything that he had done prior to that time, I was satisfied that he gave up whatever claim he thought he might have had.

Senator BECKHAM. Who had called your attention to that provision in the contract with the Government?

Mr. ADCOCK. Did not Mr. Hodge at that meeting call your attention to it?

Mr. POPPENHUSEN. Well, he did; he talked about it, too. That is, he talked about it a little differently. Well, I do not know as I remember exactly what he said, but he said that there was a little more elaborate provision even than I had referred to inserted in contracts that were made in his department.

Senator BECKHAM. At this meeting of June 28, did you know about that provision in this contract; the new provision?

Mr. POPPENHUSEN. Well, I did not know about the provisions that this particular department inserted, but I knew that the Government inserted provisions that would invalidate the contract—

Senator BECKHAM. That is what I am speaking about.

Mr. POPPENHUSEN (continuing). Without a full disclosure of any contingent compensation.

Senator BECKHAM. Did you know that when the meeting first began on the 28th, or did you learn it during that meeting?

Mr. POPPENHUSEN. No; I knew that before, because I was consulted by two or three of our clients during June. There was a good deal in the newspapers about it. The Attorney General had made a ruling, and we represented several manufacturers who could not maintain offices here in Washington; they had commission agents here, and they were very much disturbed. That is how I first learned about it.

Senator BECKHAM. You had not heard that discussed at the meeting of June 25, had you?

Mr. POPPENHUSEN. Not on June 25, no. I say "June 25"—I can not recall whether Mr. Hodge referred, as I recollect it, to a very elaborate provision that made it absolutely impossible for anybody to get any commission on any transaction—

Senator BECKHAM. At what meeting?

Mr. POPPENHUSEN. Well, I can not say whether that was on the 25th or the 28th. My recollection is that it was at the time that this commission was spoken of.

Senator BECKHAM. Could it have been on the 25th?

Mr. POPPENHUSEN. It might have been, but I do not think so, Senator.

Mr. ADCOCK. Commissions were not discussed, you say, on the 25th?

Mr. POPPENHUSEN. No; they were not discussed on the 25th. That is why I think it was on the 28th.

Mr. ADCOCK. Just to recall it to you, did not Mr. Hodge state that he had just received a memorandum from the War Department—the Judge Advocate General, I guess, or something like that—to the effect that any contract would be invalid where there was any commission paid by the person making the contract with the Government, and that the Government might cancel it, or recover from the person any commission that he had paid, so he would have to pay it twice?

Mr. POPPENHUSEN. Well, he said in substance that. He had something there.

Mr. ADCOCK. He had a paper?

Mr. POPPENHUSEN. He supplemented what either Mr. Newman or I said. I do not know whether he had a paper there, but I know that he referred to the fact that the provisions that we were discussing were much more elaborate in contracts that had gone through his department.

Mr. BENNET. What date was that?

Mr. POPPENHUSEN. That was the 28th of June, according to my recollection.

Mr. ADCOCK. Mr. Clark did not say anything at that meeting?

Mr. POPPENHUSEN. No.

Mr. ADCOCK. Did not Mr. Trainer say in substance that he was going into the Government employ, and of course he could not accept any commissions—in substance that?

Mr. POPPENHUSEN. Well, Mr. Newman asked him whether he was in the Government service, or a Government officer, and he said yes. On the other hand, he also said at that meeting that he had not taken any oath of office yet, and, as I understood it, he was not going down to Washington for several weeks yet; and he also said something at one of those meetings—I can not say which—to the effect that he had done something for the Government, made some valuations. I do not know where it was. I know he referred to the fact that he had—

Mr. ADCOCK. And then do you recall whether he said at any time during that meeting that as he was going into the Government service of course he could not accept any commissions, or could not represent—

Mr. POPPENHUSEN. Well, he did not say that when Mr. Newman told him about the law, and told him that anybody expecting any money or who received any money or was promised any money would likely go to the penitentiary, etc. Mr. Trainer thought that he had a perfect right to talk about it.

Mr. ADCOCK. It was a mere talk about it? That was all?

Mr. POPPENHUSEN. It was just a mere talk about it, and he accepted Mr. Newman's statement, and he said that he thought he had a perfect right to talk about it, because he had not actually entered the employ of the Government; that is, he said he had not taken any oath of office, and, as I understood, he was not going down

here for a couple of weeks; but if he could not do it we were lawyers; he did not know what the law was—he accepted what Mr. Newman said, and he expressed, as I understood it, his perfect willingness to surrender and waive any right to commissions, because he said he had tendered his services to the Government, which was a big sacrifice, because he wanted to be of service, and if that meant that he had to donate a claim that he thought he had, he would do that, too. I think he said he would do it cheerfully.

Mr. ADCOCK. You were in and out of the office, were you not, at that time? You did not hear all the conversation?

Mr. POPPENHUSEN. Well, I think I did. I was in and out.

Mr. BENNET. What date was that?

Mr. POPPENHUSEN. You mean on the 28th, when commissions were talked about?

Mr. ADCOCK. Well, when these three men were present. The reason I am asking you that is, I think you stated, either in your examination before this committee or in the statement to Maj. Stotesbury, that you were in and out of the office. I think it was in response to some—

Mr. POPPENHUSEN. I think I said that with reference to the meeting of July 2, which was in Mr. Newman's private office. I was in and out of that a good deal of the time.

Mr. ADCOCK. At this time you think you were not?

Mr. POPPENHUSEN. I do not think I left my office while this was discussed.

Mr. ADCOCK. Did not Mr. Shank bring up the question of commissions? Was not that the first time it was discussed?

Mr. POPPENHUSEN. No; not in my presence.

Mr. ADCOCK. Did you hear any sum of money mentioned at that meeting when those three men were present?

Mr. POPPENHUSEN. I do not think Mr. Trainer mentioned any sum. My impression is that Mr. Newman mentioned it.

Senator HARDWICK. How was it mentioned? In what way?

Mr. POPPENHUSEN. Well, before they came into the office that morning.

Mr. ADCOCK. I mean, at that meeting. I am speaking of that meeting. Was any sum of money mentioned?

Mr. POPPENHUSEN. Well—

Senator HARDWICK. How was the \$100,000, if that was the amount mentioned—I think it has been testified to—brought up? Who first brought that up? Was that called to Mr. Trainer's attention? Did he assent to that, or what?

Mr. POPPENHUSEN. Well, I know Mr. Trainer did not mention any amount at that meeting.

Senator HARDWICK. Who did?

Mr. POPPENHUSEN. If anybody mentioned any amount, it was Mr. Newman.

Senator HARDWICK. Well, did anybody?

Mr. POPPENHUSEN. I can not tell clearly whether anybody mentioned an amount. I know that Mr. Newman told me on that same day, and prior to that meeting, that somebody had indirectly made a demand—I mean, that Clark and Trainer had indirectly made a demand on Mr. Hines for \$100,000.

Mr. ADCOCK. Were those the words that Mr. Newman used—"made a demand"?

Mr. POPPENHUSEN. "Made a claim," I think he said.

Senator HARDWICK. At the meeting, did he mention that; and if so, what did Mr. Clark say, or what did Mr. Trainer say, if anything?

Mr. POPPENHUSEN. Mr. Newman said something about it, but just what he did say I can not recall.

Senator HARDWICK. How did the subject get up when you got there? Who first mentioned anything about commissions?

Mr. POPPENHUSEN. Mr. Trainer did.

Senator HARDWICK. What did he say?

Mr. POPPENHUSEN. Well, he said in order to avoid misunderstandings, his compensation should be fixed.

Senator HARDWICK. Should be fixed?

Mr. POPPENHUSEN. Yes.

Senator HARDWICK. What did Mr. Newman say?

Mr. POPPENHUSEN. Mr. Newman landed on him like a thousand tons of brick. They were both talking, and Mr. Newman did not give Mr. Trainer an opportunity to complete a statement.

Senator LENROOT. Have you a vivid recollection of that occurrence?

Mr. POPPENHUSEN. Very.

Senator LENROOT. Can you not just start in and tell us what each one said?

Mr. BENNET. Is this the meeting of the 28th of June?

Senator LENROOT. Yes. I did not want to interrupt your examination, Mr. Adcock.

Mr. ADCOCK. Oh, no—no. He says the meeting of the 28th—

Senator LENROOT. Well, when this commission was mentioned.

Mr. ADCOCK. Three men were present—Hodge and Clarke and Trainer—with others?

Mr. POPPENHUSEN. Yes. Well, Mr. Trainer said—he was the first one to say anything—

Senator BECKHAM. Mr. Hodge was present at this time?

Mr. POPPENHUSEN. Mr. Hodge was present, yes. He said there should be no misunderstanding—I am giving you the substance, not the precise words—about his compensation or commission; it should be fixed; and Mr. Newman wanted to know if he was not in the Government service, and I understood Mr. Trainer to say he was.

Senator LENROOT. May I interrupt you right there? Had there been nothing said prior to that time? Was that the way the subject opened up—that there should be no misunderstanding, that his commission should be fixed?

Mr. POPPENHUSEN. Yes.

Senator LENROOT. It assumed knowledge on the part of Mr. Trainer, did it, that there had been something previous to that coming to your knowledge as to commissions?

Mr. POPPENHUSEN. Well, I got that impression.

Senator LENROOT. All right; go ahead.

Mr. POPPENHUSEN. Mr. Newman interrupted Mr. Trainer. They were both talking at the same time, and Mr. Newman was rather vehement in expressing his opinions, and when Mr. Newman finished I thought that Mr. Trainer was entirely satisfied with Mr. Newman's explanation.

Senator LENROOT. Now, have you given all the conversation that you recollect as to how this matter came up?

Mr. POPPENHUSEN. Yes.

Senator TRAMMELL. Did Mr. Newman explain the source of his information upon which he based his statement that Mr. Trainer had made an indirect request for a commission out of Mr. Hines? You stated that on that morning, prior to the time they came in there, he had stated that there had been an indirect claim made.

Mr. POPPENHUSEN. Yes. Why, my recollection is that Mr. Newman, during the very heated few minutes, stated that he understood they thought they were entitled to a hundred thousand dollars; but I am not sure whether he mentioned it or not. I think he did; but I know Mr. Trainer did not mention any amount, and Mr. Clark did not, and I do not think Mr. Clark participated in the conversation at all.

Senator TRAMMELL. I think you misunderstood my question. You stated that Mr. Newman said that morning, before the holding of this conference, that Mr. Trainer had indirectly demanded or requested some compensation out of Mr. Hines on account of this transaction. Now then, I should like to know what his indirect information was, if he stated.

Mr. POPPENHUSEN. Whether Mr. Newman stated it to me?

Senator TRAMMELL. Who brought that to Mr. Newman's attention, if he stated it to you?

Mr. POPPENHUSEN. Well, I do not know whether Mr. Newman told me of it before the meeting, but I think he did. He told me that Mr. Hines had informed him on the previous day—I was not at the office on the 27th of June—Mr. Newman told me that Mr. Hines had sent for him. Mr. Newman was out playing golf somewhere, and had told him that Clark and Trainer had seen Mr. Shank and Mr. Foster, and wanted to meet Mr. Hines, and wanted to get a hundred thousand dollars. I understood Mr. Newman's information was based entirely upon what Mr. Hines told him.

Senator TRAMMELL. Did Mr. Trainer make any claim that he had rendered services in connection with this project prior to his entering into the Government service? Did he attempt to base any claim that he might have upon services rendered previous to entering the Government service?

Mr. POPPENHUSEN. Well, that was my impression. When we had the first meeting at our office on the 25th, Mr. Newman and I had a rather short talk with Mr. Hodge and Mr. Trainer. Then we sent for Mr. Shank and his architect, and went over the plans and specifications, and Mr. Trainer was apparently very familiar with the property, and I do not know whether he said anything directly, but he left me with the impression, which was confirmed by what followed, that he had something to do with offering this property for sale; and, as I understood it, he based his right to claim a commission upon the fact that he had something to do with it.

Mr. ADCOCK. On the 25th who came in first; Mr. Hodge, you say?

Mr. POPPENHUSEN. I think Mr. Hodge came in first.

Mr. ADCOCK. And you had a little talk with him?

Mr. POPPENHUSEN. I think at that second meeting they came over close together; but at the first meeting I know he was in before Mr. Trainer was.

Mr. ADCOCK. But did you say at that other meeting that took place, at which the three were present, Mr. Hodge came in just a little bit before?

Mr. POPPENHUSEN. That is my recollection.

Mr. ADCOCK. You know him very well?

Mr. POPPENHUSEN. Very; very intimately.

Mr. ADCOCK. You knew that he had an exclusive agency for this property prior to the time he went into the Government service, did you not?

Mr. POPPENHUSEN. I do not know whether he had the exclusive agency or not.

Mr. ADCOCK. He was agent for the property?

Mr. POPPENHUSEN. He was, and he told me here in Washington, in the interval——

Mr. ADCOCK. I am just asking what you knew at that time.

Mr. POPPENHUSEN. He may have said that he had the exclusive agency, but I do not think he did. I know that he made a good deal of effort to dispose of this property to the Government.

Mr. ADCOCK. And you knew——

Senator HARDWICK. To whom?

Mr. POPPENHUSEN. The Government.

Senator LENROOT. Before he entered the service?

Mr. POPPENHUSEN. Yes; Mr. Hodge did, before he entered the service. He told me so.

Mr. ADCOCK. And you told him if the property was sold to the Government or anybody else by Hodge, his commission was to be \$50,000?

Mr. POPPENHUSEN. I do not think I did, Mr. Adcock. Mr. Hodge never made any claim for commission or said anything about it, except that he told me about the three or four trips he had made here to Washington with Mr. Shank, or he met Mr. Shank here, and they presented this property to various departments.

Mr. ADCOCK. You knew that before he went into the Government service he had handled this property?

Mr. POPPENHUSEN. Yes. I did not know it until I learned that from Mr. Hodge himself here in Washington.

Mr. ADCOCK. You did not know it until afterwards?

Mr. POPPENHUSEN. No, sir.

Mr. ADCOCK. You did not know it at that time?

Mr. POPPENHUSEN. Not until he told me about it.

Mr. ADCOCK. And that was prior to the meeting when commissions were discussed?

Mr. POPPENHUSEN. Yes.

Mr. ADCOCK. Did you ask Mr. Hodge, before Trainer and Clark came in, anything about the claim of Trainer and Clark which was stated to you by Mr. Newman for commissions?

Mr. POPPENHUSEN. No, sir.

Mr. ADCOCK. You did not have any conversation with him about it at all?

Mr. POPPENHUSEN. No.

Mr. ADCOCK. And you were very intimate friends?

Mr. POPPENHUSEN. Yes. Now, I told you what happened. Both times—I think all three times—when Mr. Hodge came to our office, that if he was there on the 25th, the 28th, and on the 2d of July, and I know he was there other times during the week that he was in Chicago, there were telephone calls for him, and he used the telephone in my private office answering those calls. I do not know what they

were, and I stepped out and I did not have any conversation with him before Mr. Trainer came in on the 28th. I did, I think, on the 25th.

Mr. ADCOCK. One thing you do remember very well, that Mr. Newman appeared very heated?

Mr. POPPENHUSEN. He certainly was.

Mr. ADCOCK. He was exceedingly indignant?

Mr. POPPENHUSEN. Yes; he was; and he was very vehement.

Mr. ADCOCK. After this vehement talk with Trainer Mr. Newman seemed perfectly satisfied?

Mr. POPPENHUSEN. Perfectly satisfied, and he never made any reference to it. He was at our office most of the afternoon of July 2; we went over the details of these plans, and he gave me a very intelligent and a very comprehensive understanding of the Washington situation and about the lack of coordination between all the various divisions, and how difficult it would be to get any action, and none of them could tell us what we were particularly anxious to find out, namely, to whom this sort of a proposition should be presented.

Mr. ADCOCK. And after that he seemed perfectly satisfied; that is, he was satisfied after Mr. Newman stated it, and you always understood afterwards he was satisfied with Mr. Newman's statement?

Mr. POPPENHUSEN. So far as I know. I never heard him indicate anything to the contrary. I think I saw him only once after that July 2 meeting.

Mr. ADCOCK. Now, I am asking a recollection of you that is difficult, I know. I am asking for your best independent recollection as to whether or not the sum of \$100,000 was mentioned at that meeting when the three men, Trainer, Hodge, and Clark were present and the commission was discussed.

Mr. POPPENHUSEN. I tried to answer that before. I am satisfied Mr. Trainer did not mention any amount. I think Mr. Newman did, although I am not sure.

Mr. ADCOCK. Would you be willing to swear that he did?

Mr. POPPENHUSEN. No; I would not; but I think he did mention \$100,000.

Mr. ADCOCK. You merely think so?

Mr. POPPENHUSEN. Yes.

Mr. ADCOCK. Your recollection does not serve you to the extent that you could say that it is your recollection that he did?

Mr. POPPENHUSEN. No; I could not say that he mentioned \$100,000, but that is my impression.

Senator BECKHAM. I want to clear up one matter which you mentioned. As I understand, there were three meetings in your office, June 25, June 28, and July 2?

Mr. POPPENHUSEN. Yes.

Senator BECKHAM. Do you know how it happened that Mr. Clark and Mr. Trainer and Mr. Hodge came to that office at the first meeting? Were they called up from your office, or invited from your office, to come, or did they just come in of their own volition, so far as you know?

Mr. POPPENHUSEN. Mr. Hodge came because I sent for him.

Senator BECKHAM. But as to Clark and Trainer, you do not know how they came there?

Mr. POPPENHUSEN. I do not know how they came there.

Senator BECKHAM. Not now?

Mr. POPPENHUSEN. I do not think I knew then. Senator, before you came in I made this statement. I do not know whether it is so or not, but I think Trainer came in on the 25th of June, because he was trying to locate Mr. Hodge. Now, I do not know whether that is so or not, but that is just a guess on my part.

Senator BECKHAM. Do you know that Trainer and Clark were not called to your office by a telephone message or any invitation from your office?

Mr. POPPENHUSEN. I know I had nothing to do with it, and I do not know of anybody else in our office that called up.

Senator BECKHAM. You feel reasonably positive that your office did not invite them?

Mr. POPPENHUSEN. I am very sure.

Senator BECKHAM. Now, as to the meeting of the 28th, is there the same state of the case there?

Mr. POPPENHUSEN. I stated before that I could not say whether I had telephoned to Mr. Hodge and asked him to come. I know that during that week that he was in Chicago I telephoned Mr. Hodge a number of times and asked him to come over to the office.

Senator BECKHAM. But you know, now, why Mr. Trainer and Mr. Clark came over that day, the 28th?

Mr. POPPENHUSEN. No; I do not know how they came there.

Senator BECKHAM. As to the next meeting, that of July 2, do you know how they came that day?

Mr. POPPENHUSEN. No. They were all in Mr. Newman's private office when I was called in. Mr. Newman asked me to come in.

Senator BECKHAM. Can you state that no message came from anyone in your office, and that no one in your office asked Mr. Trainer and Mr. Clark to come?

Mr. POPPENHUSEN. Not to my knowledge, Senator. I am very sure I did not do it, and from such inquiry as I made, Mr. Newman was the only other person who knew anything about it, in our office.

Senator BECKHAM. So far as you know, then, they came of their own volition?

Mr. POPPENHUSEN. That is correct.

Senator BECKHAM. Now let me ask you one other question. There has been testimony here to show that upon the part of the owners of this property there was a considerable donation to the Government, or to charitable purposes, in the construction of the hospital; and then it has been testified to by Mr. Erskine, I believe, that he received no commission in it. Was your firm interested in any way in the matter of a fee in the disposal of this property to the Government?

Mr. POPPENHUSEN. I never discussed the matter with Mr. Hines, but I supposed we were going to be paid. We always are paid.

Senator BECKHAM. Was your firm interested as agents in aiding Mr. Hines to sell this property?

Mr. POPPENHUSEN. Yes, sir. We were not working on a contingent basis.

Senator LENROOT. You were not?

Mr. POPPENHUSEN. We were not working on a contingent basis; no.

Senator LENROOT. You were working——

Mr. POPPENHUSEN. We were working on the regular fee basis.



Senator LENROOT. Was that a per diem basis?

Mr. POPPENHUSEN. We have not rendered any bill as yet.

Mr. ADCOCK. You usually make a charge and base it on the success of the enterprise, do you not? Is not the amount of it determined usually by that?

Mr. POPPENHUSEN. We have different rules about it. It depends upon the circumstances and the client, and a whole lot of things.

Mr. ADCOCK. If the project is unsuccessful and you do not accomplish anything for your clients, you do not charge them much, do you?

Mr. POPPENHUSEN. I think we would take that into consideration in rendering the bill.

Mr. ADCOCK. Lawyers always do?

Mr. POPPENHUSEN. I think they do, wherever the work is done for a regular client.

Mr. ADCOCK. Yes; one who has been a client in your office for years?

Mr. POPPENHUSEN. Yes.

Mr. ADCOCK. Unless there is some agreement for the work on a special basis, a per diem, or something like that?

Mr. POPPENHUSEN. Senator Beckham, you asked me a question about a donation in this connection. Now, I had a talk with Mr. Hines the end of the week following Labor Day. I had been away from the office practically all of August. I had been there two or three days in the middle of August. I was out in Colorado from the 1st of July until the 12th of August, and I left Chicago on the 13th of August to join my family and went down to Cape Cod. I returned to the office the day before Labor Day. Mr. Newman was sick at the time, Mr. Hines was away, and I telephoned to Mr. Newman and Mr. Newman told me very briefly that the contract had been signed, that he had just returned from Washington, and so forth; and he also told me that he had advised Mr. Hines to drop the project completely, because he was afraid that the plans and specifications being incomplete, the thing would cost a great deal more than he was going to get. At that time the price was two and a half millions.

The latter part of that week, either Friday or Saturday, I met Mr. Schmidt at luncheon, by accident; as I was going out to the Chicago Athletic Club I saw him sitting there, and I had known him slightly for a good many years, and I went up to talk to him, and he told me, during the course of the conversation, that we ought to know the contract was a severe one, and that the plans and specifications were very strict, and that, while he had not completed any total estimate of cost, he was inclined to think that the buildings alone would likely cost more than \$2,300,000, and he thought—he did not have any knowledge, but he thought—that the figures that were also incomplete because the plans and specifications were not complete at the time, that had been prepared down in Washington by the Construction Division, indicated that the cost was likely to be more than that.

Immediately after that I saw Mr. Hines. I went to his office and told him about it. I told him that I never had done any business with Mr. Schmidt and his firm; that they had the reputation of being a very competent firm, and had a large business; and I told Mr. Hines that I thought those figures ought to be checked, because

it seemed to me that he would lose a million and a half on that proposition. He said that was not a legal question, but was a business question, and he had not submitted that to us, and he was going to get a fire-proof hospital building in Chicago, no matter what it cost. I also told him at that same interview that Mr. Shank had convinced me—and I have referred to that previously, in the previous conversation—that he had convinced me while I was in Washington once during June, that Mr. Hines was very foolish to go on with this effort to prepare it for hospital use, as it would cost him a good deal of money, and he would lose a very large part of his investment, while he, Shank, thought that all of the money could be gotten out, and a very large profit made, if the land was developed for industrial purposes. I told Mr. Hines that I did not have any knowledge of my own about that, and I did not have any judgment of my own, but I thought it was a matter he ought to be very careful about, and thought that he ought to act on Mr. Newman's advice and not go on with the matter until he was satisfied what the buildings were going to cost. Mr. Hines said, "I do not put that up to you, at all, and I do not want you to have anything to do with it. That is a business question." I said, "Mr. Hines, if this thing goes through now and the buildings cost what Mr. Schmidt thinks they are going to cost, I assume it would cost at least 10 per cent more than the estimated cost. That is the usual risk." I said, "You will blame us." I said, "Clients are very apt to blame lawyers in a matter of this kind." He said, "I am going to take the responsibility. Don't you worry. I am going to get a fire-proof hospital, I do not care what it costs." That is the only thing I know about it.

Mr. ADCOCK. Whom did you talk to about this conversation in your office about commissions, after June 28, as you say, or after the time the conversation took place.

Mr. POPPENHUSEN. With whom did I talk about it?

Mr. ADCOCK. Yes.

Mr. POPPENHUSEN. I do not think that I talked to anybody about it except Mr. Hines.

Mr. ADCOCK. When was that?

Mr. POPPENHUSEN. Shortly after. I think Mr. Newman had told him.

Mr. ADCOCK. Then where next did you talk to anyone about it? When was the next time, to your best recollection?

Mr. POPPENHUSEN. I do not believe I talked to anybody about it until Mr. Newman told me that Gen. Stotesbury wanted to take my statement, and suggested that I should come to Chicago. I was not in Chicago.

Mr. ADCOCK. Did you talk to Mr. Reynolds about it?

Mr. POPPENHUSEN. No, sir.

Mr. ADCOCK. What was the subject of the conversation you had with Mr. Reynolds along about October 21?

Mr. POPPENHUSEN. I think it was the 23d.

Mr. ADCOCK. The 23d?

Mr. POPPENHUSEN. Yes. Why the conversation with Mr. Reynolds was very general. It did not amount to very much.

Mr. ADCOCK. What was it about?

Mr. POPPENHUSEN. Mr. Reynolds did most of the talking. I went to see Mr. Reynolds. Mr. Hines wanted me to see him. I wanted

to find out whether Mr. Trainer was opposed to the Speedway hospital proposition. I also wanted to find out whether the Field Museum project had been approved, and if not, if it was likely to be approved, and if it was approved, whether that would interfere with the utilization of the Speedway property.

Mr. ADCOCK. When did you talk to Mr. Reynolds about that?

Mr. POPPENHUSEN. 23d.

Mr. ADCOCK. Why did you talk to Mr. Reynolds about that?

Mr. POPPENHUSEN. Because Mr. Hines wanted me to.

Mr. ADCOCK. Asked you to?

Mr. POPPENHUSEN. Well, I found out when I saw Mr. Reynolds that Mr. Hines had a previous talk with Mr. Reynolds. Mr. Reynolds did not tell me what he told Mr. Hines, but Mr. Hines told me—as I say, he did most of the talking—he said that he had absolute confidence in Mr. Trainer's integrity, had a good many large business deals in his hands, at various times, and he said he had the same confidence in him as he did in Mr. Hines.

Senator BECKHAM. How did the question of Mr. Trainer's integrity come up in that conversation?

Mr. POPPENHUSEN. Well, Mr. Reynolds said he understood that Mr. Hines had suspicions that Mr. Trainer was responsible for the hold-up of the proposition here in Washington.

Senator BECKHAM. What did he mean by "hold-up"?

Mr. POPPENHUSEN. Disapproval; he meant disapproval.

Mr. ADCOCK. You mean of the Speedway?

Mr. POPPENHUSEN. Yes.

Mr. ADCOCK. Did you ask Mr. Reynolds to ascertain from Mr. Trainer whether the Field Museum was going to be approved by this commission? You knew there was a commission in Chicago then consisting of Mr. Trainer, Col. Northington, and Mr. Schmidt?

Mr. POPPENHUSEN. Well, I knew there was a commission in Chicago and I knew Mr. Trainer was with it.

Mr. ADCOCK. That was the emergency hospital commission?

Mr. POPPENHUSEN. I could not tell you what it was called.

Mr. ADCOCK. But they were there to lease buildings for hospital purposes? You knew that, did you not?

Mr. POPPENHUSEN. No. I did not. I did not know anything about it except what I had been told by Mr. Hines. He understood that there was some commission there, that Mr. Trainer had something to do with, that was making an examination into the availability of the Field Museum property. Now Mr. Reynolds told me at the time I saw him that following his talk with Mr. Hines he had seen Mr. Trainer and Mr. Trainer had told him and he believed the statement to be true, that he was opposed to the Speedway proposition; that he thought it was a good thing; that the only difficulties arose out of the price differences.

Mr. ADCOCK. And did not he say that so far as the commission was concerned it had no authority to consider the Speedway?

Mr. POPPENHUSEN. I do not think Mr. Reynolds said that, but Mr. Reynolds was not sure. Let me see; as I remember it, he told me that Mr. Trainer had told him that the Field Museum project either had been approved or would be approved, and also that if it were approved, it would not interfere with the utilization of the Speedway. Now, Mr. Reynolds was not very clear about that

matter and I suggested that he should see Mr. Trainer again, and he said he would. I got word from him the next day, from Mr. Reynolds's secretary, on the telephone. He telephoned me that he had tried to get in communication with Mr. Trainer and found that he had gone to California, or gone West or somewhere.

Mr. ADCOCK. Why did you not see some member of the commission—they were there in Chicago, were they not, like Col. Northington?

Mr. POPPENHUSEN. I have never met anybody—I did not know that Mr. Trainer was on the commission. I knew that he had something to do with it.

Mr. ADCOCK. Then why did you think Mr. Reynolds could get you any information as to the commission—as to what the commission was going to do?

Mr. POPPENHUSEN. Well, I understood Mr. Hines said that he had seen Mr. Reynolds and Mr. Reynolds was going to find out from Mr. Trainer whether he was for or against the Speedway proposition, and whether the Field Museum project had been approved or would be approved, and whether, if it was approved, it would interfere with the utilization of the Speedway project.

Senator FRANCE. Did he find out whether he was for or against the proposition?

Mr. POPPENHUSEN. When I saw Mr. Reynolds he had already seen Mr. Trainer, and Mr. Reynolds told me that Mr. Hines was mistaken; that Mr. Trainer had told him that he was for the Speedway project.

Mr. ADCOCK. And that the leasing of the Field Museum would not interfere, as he understood it?

Mr. POPPENHUSEN. As he understood it.

Mr. ADCOCK. Was that because the additional 2,500 beds at Fort Sheridan had not then been approved?

Mr. POPPENHUSEN. Mr. Reynolds did not give me any reason. Mr. Reynolds was not entirely sure that he had understood it correctly. I think that when he made the statement to me during that interview he was certain that Mr. Trainer had stated, and I think only because I questioned that did he seem to doubt, and he said he would be very glad to affirm that by seeing Mr. Trainer again.

Mr. ADCOCK. When Mr. Reynolds stated that Mr. Hines had some suspicions, did you mention this occurrence in your office when the talk of commissions was had?

Mr. POPPENHUSEN. No; I did not.

Mr. ADCOCK. Mr. Reynolds did not say anything to you about that?

Mr. POPPENHUSEN. No; he did not. He did not mention it at that conversation.

Mr. ADCOCK. At that conversation or the conversation on the day following?

Mr. POPPENHUSEN. I only had one conversation. No; he wanted to know what I thought about it.

Mr. ADCOCK. Thought about what?

Mr. POPPENHUSEN. As to whether Trainer was or was not responsible, and I told Mr. Reynolds at that interview that from all that had happened in my presence, considering it all, I could not draw any conclusion unfavorable to Mr. Trainer.

Mr. ADCOCK. And then you added, "You know my client."

Mr. POPPENHUSEN. No; I did not.

Mr. ADCOCK. Did you have any talk with Mr. Newman about a peculiar circumstance that happened to Mr. Newman one night when he was going home from work in the State council of defense when some one tapped him on the shoulder and talked about commissions, or something like that—early in September?

Mr. POPPENHUSEN. Yes; I do.

Mr. ADCOCK. Mr. Newman was much mystified about it, was he not?

Mr. POPPENHUSEN. Well, I do not know just how to characterize it.

Mr. ADCOCK. He stated on the stand that he was much mystified.

Mr. POPPENHUSEN. He told me about it, and I said I would have called the fellow and found out who he was and had him followed.

Mr. ADCOCK. If he had been as vehement as he was on the occasion that this conversation took place in the office about commissions, you think he might have done that, do you not?

Senator FRANCE. That is a psychological question that has no bearing on this.

Mr. ADCOCK. Did you advise Mr. Newman to go to Washington to see anybody?

Mr. POPPENHUSEN. Did I advise Mr. Newman when?

Mr. ADCOCK. After this occurrence, after he had received this visit?

Mr. POPPENHUSEN. Well, I do not think I did, but I can tell in a very few words what did happen. During the latter part of the week following Labor Day, I do not know whether it was Friday or Saturday—

Mr. ADCOCK. Was Mr. Newman at the office, or was he sick then?

Mr. POPPENHUSEN. He was sick and I had not seen him, in fact I had not seen him since July. I had talked to him over the telephone once or twice, and I think once or twice through his wife, when he had not answered the telephone, and I have only very general information as to what happened during August here in Washington. I got a little of it from Mr. Schmidt and a little from Mr. Newman on the telephone, and Mr. Erskine came to the office either Friday or Saturday of that week.

Mr. ADCOCK. You know Mr. Erskine well?

Mr. POPPENHUSEN. Very well.

Mr. ADCOCK. Call him "Bert"?

Mr. POPPENHUSEN. I do; have known him very intimately.

Mr. ADCOCK. You know Mr. Hodge?

Mr. POPPENHUSEN. Yes.

Mr. ADCOCK. Call him "Sam"?

Mr. POPPENHUSEN. I do.

Mr. ADCOCK. And he calls you "Pop"?

Mr. POPPENHUSEN. I think he does.

Mr. ADCOCK. And Bert calls you "Pop"?

Mr. POPPENHUSEN. No.

Mr. ADCOCK. "Conrad"?

Mr. POPPENHUSEN. Yes. Sam has always called me "Pop."

Mr. Erskine came to the office and wanted to see Mr. Newman. I was pretty busy. Finding that he was sick, he came in to see me. I was very glad to get some information as to what had happened, and he told me about it, and I asked him if the officials of the War Department had been advised of Mr. Hodge's connection with the efforts to sell the property; that is, the efforts that Mr. Hodge made

before he entered the employ of the Government; and Mr. Erskine said that he did not think they had. Well, I told Mr. Erskine that I thought there ought to be a full disclosure of Mr. Hodge's connection with this project and it ought to be made to the War Department; I thought particularly that Mr. Erskine ought to make that disclosure to the Secretary of War. I was also concerned with the validity of any contract made and I did not want to have anybody charged with bad faith. Mr. Erskine wanted me to prepare something. I told him I did not think it made any difference how it was prepared. The only important thing was that I thought they ought to know about the fact that he had been the representative of the owners of this property and had tried to sell it to the Government. Mr. Erskine dictated something in my office then. I made some comments on his dictation and after it was written out I looked at it. I do not recall now just what was in it, and I said to Mr. Erskine that I did not want to take any responsibility for having that statement filed, because I did not know enough about the facts. And I told him that he ought to see Mr. Newman and show it to Mr. Newman. He showed it to Mr. Newman. As I understand it, he went out to Mr. Newman's house and got a stenographer out there, and that Mr. Newman redictated or made enough changes in it so that it was something else. I never saw that document except the language that Erskine dictated in the office where I had made some suggestions. I do not know whether Mr. Erskine took it with him to Washington or what he did with it.

Mr. ADCOCK. You do not know whether Mr. Newman had it or not, either?

Mr. POPPENHUSEN. Well, now, my recollection is this. My recollection is that when Mr. Newman came back to the office he thought that my suggestion was a very good one, but my recollection is that he was of the opinion that it did not go far enough, and he thought that such a statement should not only be made by Mr. Erskine, but also by Mr. Hodge, and that he had told Mr. Erskine about that. Well, I understand, afterwards—now this is just hearsay—I understood afterwards that Mr. Hodge did not want to have any such statement.

Mr. ADCOCK. We might get hearsay later. I show you a paper here that is marked "A."

Senator FRANCE. These have not been introduced?

Mr. ADCOCK. Yes; identified by Mr. Hodge yesterday. And on the last page there is a memorandum:

TUESDAY, SEPTEMBER 10, 1918—7 P. M.

This paper was given to me by Jacob Newman and A. D. Erskine in room 211, Hotel Raleigh, to do with as I saw fit.

S. S. H.

Mr. ADCOCK. Is this the paper that was dictated by Mr. Erskine in your presence or that you corrected and made some suggestions about?

Mr. POPPENHUSEN. Well, very likely. It looks like it. That is the general contents of it. Very likely it is the one that Mr. Erskine dictated.

Mr. ADCOCK. Is that your recollection?

Mr. POPPENHUSEN. Well, if it is not this one, it is one very similar to it.

Mr. ADCOCK. Could you remember whether that was the one that he dictated and you made suggestions with reference to the dictation?

Mr. POPPENHUSEN. Well, I know that while he dictated I made some suggestions. Of course, I could not make many suggestions because I did not know anything about the matter.

Mr. ADCOCK. When it was something you knew about, you made suggestions with reference to it?

Mr. POPPENHUSEN. I know I made some suggestions while he was dictating on some facts I knew something about.

Mr. ADCOCK. If there were any facts stated in the paper that you knew about, and that were untrue or anything like that, you would so state, would you not, as he was dictating?

Mr. POPPENHUSEN. Yes.

Mr. ADCOCK. Certainly. It is your recollection that that is the paper?

Mr. POPPENHUSEN. I think it is. I should say it is. The only thing that makes me hesitate about it is that it is six or eight pages long. My recollection was that what he had was a good deal shorter.

Mr. ADCOCK. Then I will show you a paper marked "B." Does that refresh your recollection?

Mr. POPPENHUSEN. I do not believe I ever saw this. I may have seen this or that. I saw one of them. But I do not think that the memorandum that was dictated in our office by Mr. Erskine was addressed to the Secretary of War. I do not think I ever saw this one.

Mr. ADCOCK. And you are referring to the paper marked "B" in your last statement?

Mr. POPPENHUSEN. Yes.

Mr. ADCOCK. The paper seems to be the same kind of paper, does it not, in both documents, and I think if you will hold it up to the light you will see the words "Pacific bond"?

Mr. POPPENHUSEN. I should say that it was the same paper and the same typewriter.

Mr. ADCOCK. In whose handwriting are the interlineations in the paper marked "A"?

Mr. POPPENHUSEN. I think there are three interlineations in there, in what appears to be my handwriting, one on the first page and two on the second page. All the other interlineations in there I think are in Mr. Erskine's handwriting. Is Mr. Erskine here? [Mr. Erskine examined the paper.]

Senator FRANCE. The papers seem to be sufficiently identified.

Mr. POPPENHUSEN. Do you want me to say what interlineations I made there on the first page?

Senator BECKHAM. Is that material?

Mr. ADCOCK. I do not think that is material.

Mr. POPPENHUSEN. The changes I made, 80 acres to 8 acres, and I changed the word "later" to the word "already."

Mr. ADCOCK. Mr. Erskine, you remember those papers too?

Mr. ERSKINE. I remember there were papers.

Mr. ADCOCK. You remember that that paper marked "A," and the paper marked "B," were given by Mr. Newman to Mr. Hodge at the Hotel Raleigh in September?

Mr. ERSKINE. No. If you will allow me to explain that, I can tell you a little more definitely.

Mr. ADCOCK. I will take that up later. I thought it would be short by asking him now.

Will you tell me why you suggested to Mr. Newman that he see Mr. Hodge about this, and why they should not see Mr. Trainer and Mr. Clark, or both of them, about it?

Mr. POPPENHUSEN. I do not know whether I have a very clear recollection of it, or not, Mr. Adcock. I understood, I thought from Mr. Newman, that whatever had been prepared or dictated by Mr. Erskine in our office when I was present, Mr. Newman had changed enough so that it was something different, and Mr. Newman told me that he thought that my suggestions did not go far enough, and that he had told Mr. Erskine that that statement should be filed not only by him with the Secretary of War, so that he could not possibly be criticised, and I had only the question of the validity of the contract in mind. But he thought that Mr. Hodge should also file a statement with his superior officers, disclosing his prior connection as broker with this property, that is before he entered the Government service, and Mr. Newman told me that he heard from Mr. Erskine that Mr. Hodge would not consent to anything being filed, and Mr. Newman thought that I ought to go down to Washington to see that it was filed. I could not go at the time, and did not know enough about the facts as to what happened here during August, and I thought Mr. Newman ought to go down, and I agreed with Mr. Newman entirely. I thought his suggestion was a very good one, that not only should Mr. Erskine make a statement but that Mr. Hodge should also make a statement.

Mr. ADCOCK. Mr. Trainer's and Mr. Clark's names did not occur to you in the same connection?

Mr. POPPENHUSEN. No, in fact that was one of the things that I did not know about. I see their names are mentioned there.

Mr. ADCOCK. You did not know anything about it the first part of September?

Mr. POPPENHUSEN. No.

Mr. ADCOCK. You had had this conversation in June, you remembered that?

Mr. POPPENHUSEN. Yes.

Mr. ADCOCK. Just one other question, I wanted to ask. You had a conversation with Mr. Pitcher, did you not, in the early part of September?

Mr. POPPENHUSEN. I did.

Mr. ADCOCK. You did not understand that Mr. Pitcher was an emissary of Clark and Trainer or both of them, did you?

Mr. POPPENHUSEN. I did not think he was an emissary of Mr. Trainer or——

Mr. ADCOCK. Or Mr. Clark?

Mr. POPPENHUSEN. I had my own ideas about it.

Mr. ADCOCK. Was there anything he said that made you think so?

Mr. POPPENHUSEN. No; quite the contrary. He told me he came of his own volition, coming to me because he was an intimate friend of Mr. Newman, and wanted to help Mr. Newman, but he gave me so much information, that is he told me so much, that I thought he got the information from Clark, and that Mr. Clark had sent him to



me. I tried my best to find out how he happened to come, and he said he was a friend of Mr. Newman's.

Mr. ADCOCK. They were war workers, together?

Mr. POPPENHUSEN. Yes. I had never met him before, did not know who he was.

Mr. ADCOCK. Did you understand that Mr. Shank about this time was desiring to see that Mr. Hodge was compensated for work he had done previously to the time of entering the service?

Mr. POPPENHUSEN. Never heard of it.

Mr. ADCOCK. Never had any talk with Mr. Shank about it?

Mr. POPPENHUSEN. No.

Mr. BENNET. In relation to this Pitcher matter, did you on the same day that Mr. Pitcher was there, at his request, or what you understood to be his request, write a letter to Mr. Newman in Washington?

Mr. POPPENHUSEN. I did.

Mr. BENNET. Have you a copy of that letter with you?

Mr. POPPENHUSEN. Yes.

Mr. BENNET. Read it.

Mr. ADCOCK. The talk with Mr. Pitcher was prior to your conversation with Mr. Reynolds, was it not?

Mr. POPPENHUSEN. Yes. [Reading:]

OCTOBER 8, 1918.

Mr. JACOB NEWMAN—

Mr. ADCOCK. May I see that before you read it? (The letter was handed to Mr. Adcock.)

Mr. BENNET. You have other copies, have you not?

Mr. POPPENHUSEN. Yes.

Senator BECKHAM. In order to save time, suppose you read this, and leave that with the clerk?

Mr. POPPENHUSEN. (Reading:)

OCTOBER 8, 1918.

Mr. JACOB NEWMAN,

*Care of Edward Hines, New Willard Hotel, Washington, D. C.*

MY DEAR MR. NEWMAN: I received this afternoon a call from Lewis W. Pitcher, whose card is inclosed. He stated that he desired to talk to me confidentially about a matter that I should not be at liberty to disclose to anyone but you. He stated that you and he were friends and had been in very intimate association during the past few months as president and vice president, respectively, of the thirty-third exemption district of the State Council of Defense; that in that connection he had grown to know you so intimately and had formed such a high regard for you that he believed it his duty to make a communication through me to you which he would much prefer to make to you in person, and which he would have made to you if he had been able to get hold of you in Chicago during the last couple of days.

He says his purpose was to help you; that you were on the rocks at Washington, fighting obstacles impossible for you to overcome without the information he was about to give me; that he had been for some time familiar with the Speedway property as his firm carried insurance thereon, and in that connection he had become acquainted with the fact, which was known throughout the city and throughout Washington, that Edward Hines stood to lose a very large amount on his investment; that Edward Hines, ever since the Lorimer affair, had had most bitter enemies and an overwhelming number of people who would go out of their way to injure him; that his enemies had used that to such advantage in Washington that nothing could be done except by adopting the plan he was about to suggest.

He said further that everybody in Washington was afraid of dealing with the situation as some one was attempting to use political influence in so many different directions that those in charge of the work and having sworn duties to perform were disgusted and unwilling to do anything and put blocks in the way; that he was satisfied from such knowledge as he had of the situation (and he said he had very intimate knowledge

as he was exceedingly close to the War Department) a great many things had been and were being done without your knowledge and that you ought to be advised thereof.

I told him I knew nothing about the situation except that I understood the thing was going along and would be settled as soon as the plans for the building had been agreed upon. He said there was no difficulty about that at all, the sole difficulty was due to the price; that men intensely prejudiced against Edward Hines, Erskine, and Shank had been purposely selected to make a valuation as members of a committee of the real estate board at a figure which would knock the utilization of the Speedway property for hospital purposes.

I told him I knew nothing about that, but that I understood the valuation, whatever it was, that the Government had received was satisfactory. He said I was very much mistaken. He told me that the property was undoubtedly the best that could be selected for such a scheme in the Middle West; that the hospital board approved it and that the purchasing department of the War Department approved it, except as to price. In order that I might understand it, he said that it had cost the Government as low as \$900 for a bed in a temporary building and as high as \$1,900 a bed in something slightly better, but would hesitate to agree to pay \$1,300 or \$1,400 a bed without the closest scrutiny.

I told him I could not ask any questions of him intelligently as he was talking generalities. He said he would get to his point in a minute; that he had asked the question if he might safely make the proposal that he was about to make to me, and when I asked him of whom he had asked the question, he said he could not say except that he was very close to the War Department.

He then went on to tell me that Gen. Noble, now elevated to the rank of major general, was closing up his affairs and was about to go to France as a member of Gen. Pershing's staff; that he was sole judge of hospital locations and capacity, and approved this property if it could be acquired and improved at the right price; that his jurisdiction was subject to the real estate end which must approve the proposition and that nothing could go through if influence from the top was exerted; that the great mistake made had been that the matter had not been presented to the man in charge.

He then handed me the card of J. Milton Trainor, on which it said "General Staff, War Department, Annex Building, Washington, Real Estate, Supply and Storage Department," and told me that the man whose name was on the card was the only man who could put this thing through and whose cooperation was essentially necessary. He then suggested that you or our clients should address a letter to him, submitting such a proposal as clients were willing to make, without stating any price, and offering to accept therefor whatever amount should be authorized or approved by George M. Reynolds, Cyrus H. McCormick, and Wallace Heckman; that if this was done the matter would be closed up within a couple of days.

I could not find out who had made this suggestion to him as he would not tell me. Of course, I have my own ideas and you may have yours. I told Mr. Pitcher I could communicate this to you and expressed my thanks on your behalf on the assumption that you would appreciate a friendly act. He then said that perhaps he ought not to have come and told me anything because a man who butted in generally did not get thanks from anybody but that he was greatly interested in having your efforts crowned with success and having you back at work in Chicago, and thought that was not likely to be brought about unless you acted upon the suggestion he made.

He tried to get my view, which I declined to express, and I am simply sending you this information as I promised to do so. He also said that the national interest required a settlement promptly, and that nothing better could be done than to carry out the proposed scheme.

Yours, very truly,

C. H. POPPENHUSEN.

Mr. BENNET. That letter was written on the date that Mr. Pitcher came to see you?

Mr. POPPENHUSEN. Immediately after he left my office I dictated this letter.

Mr. BENNET. Just state for the record, without any contradiction or anything of that sort, who were present at the meeting of June 25, and who were present at the meeting of June 28; there has been so much talk of the three meetings I think possibly the record is not clear.

Mr. POPPENHUSEN. At the meeting of June 25 there were present Mr. Hodge, Mr. Trainer, Mr. Newman and myself, and we then sent for Mr. Shank and Mr. Wheelock.

Mr. BENNET. Would you know Mr. Wheelock if you saw him again? Stand up, Mr. Wheelock. (Mr. Wheelock arose.) Is this he?

Mr. POPPENHUSEN. It is; the first time he was ever at my office.

Mr. BENNET. Now who were present at the meeting of June 28?

Mr. POPPENHUSEN. Mr. Hodge, Mr. Trainer and Mr. Clark and Mr. Newman and myself.

Mr. BENNET. Is it possible for you to separate in your mind clearly your preliminary conversation with Mr. Newman in which the \$100,000 was mentioned, and the events of the brief and somewhat heated meeting immediately after the question of commission had been discussed? That is, does the prior conversation constitute any embarrassment to your recollection as to the specific sum of \$100,000, as to whether it was mentioned at the preliminary conference or at the meeting?

Mr. POPPENHUSEN. My statement, as indicated, as I can not tell absolutely whether the specific sum was mentioned. I think it was.

Mr. BENNET. If it was mentioned, of course, the fact that it was mentioned prior to the meeting prevented it coming as a surprise?

Mr. POPPENHUSEN. That is correct; if it was mentioned in the meeting, and I think it was. I am not sure.

Mr. BENNET. Now, as to all these documents that have been shown you, I understand that you are executor and trustee for estates, and familiar with the drawing of contracts and things of that sort?

Mr. POPPENHUSEN. I am.

Mr. BENNET. And do you think it at all unreasonable that when a client was about to put \$2,500,000 into a proposition, as to which you had then or immediately after advised him that in your judgment he stood a chance to lose a million and a half, in addition to the two and a half million, that every possible legal safeguard should be thrown about it?

Senator HARDWICK. Is not that argumentative?

Mr. BENNET. I do not think it is. Counsel has produced three witnesses on some simple documents. I want to show that the attorney took ordinary precautions.

Mr. POPPENHUSEN. I was very thoroughly of the opinion as stated—Mr. Newman and I had discussed it, and we were of one mind—that there ought not to be any contract entered into until after there was a fair and full disclosure made to the Government of the connection that any Government officer had with the project prior to entering the Government service.

Mr. BENNET. And Mr. Erskine having presented this project to the Secretary of War, you thought he ought to sign that statement?

Mr. POPPENHUSEN. I thought he ought to do that.

Mr. BENNET. And Mr. Newman agreed with you as to that and added the additional qualification that Mr. Hodge, having had this prior to entering into the Government service, ought to make a statement also?

Mr. POPPENHUSEN. That was Mr. Newman's addition to my suggestion.

Mr. BENNET. On the legal question, have you changed your mind at all?

Mr. POPPENHUSEN. Not at all.

Mr. BENNET. That is all.

Mr. ADCOCK. This meeting when commissions were discussed, and these three men were present—you say Mr. Hodge, Mr. Trainer and Mr. Clark—did you hear Mr. Reynold's name mentioned at that meeting?

Mr. POPPENHUSEN. At that meeting?

Mr. ADCOCK. Yes.

Mr. POPPENHUSEN. No.

Mr. ADCOCK. Nothing was said about the money being deposited with any banker?

Mr. POPPENHUSEN. Well, I am in the same situation about that as I am about the \$100,000. Mr. Newman told me that Mr. Hines had told him that that suggestion had been made. I do not think that Mr. Reynolds's name was mentioned at that meeting. I think \$100,000 was mentioned by Mr. Newman, but I do not think Mr. Reynolds's name was mentioned.

Mr. ADCOCK. Are you willing to state here, under oath, that that is your best recollection that \$100,000 was mentioned at that meeting, when these men were present?

Mr. POPPENHUSEN. Well, I have already stated under oath—

Mr. ADCOCK. You said you thought. It is quite—

Senator HARDWICK. All these statements are made under oath. He is not testifying positively, but to the best of his recollection and belief.

Mr. ADCOCK. I asked him to state whether it was his best recollection.

Senator HARDWICK. He did so state.

Mr. ADCOCK. I wanted his best recollection.

Senator HARDWICK. He stated that he could not be positive, but that that was the best of his recollection.

Mr. BENNET. Is it your best recollection?

Mr. POPPENHUSEN. Yes.

Senator HARDWICK. He has stated that at least half a dozen times, so there is no need of stating it seven times.

Mr. ADCOCK. I think that is all.

Senator HARDWICK. You are excused, with the thanks of the committee.

Mr. POPPENHUSEN. Am I released?

Mr. BENNET. If he goes home, will the Chicago Tribune say that he disappeared? I should like to have it put on the record that Mr. Poppenhusen put in an appearance at the committee.

Senator HARDWICK. You are excused. I do not think we need you any further.

Mr. BENNET. Just one question. Was there any doubt whatever in your mind that Mr. Clark returned after the meeting of June 28 and asked whether he could have the commission paid to him?

Mr. POPPENHUSEN. None whatever.

Mr. ADCOCK. When this affidavit was drawn, was that your recollection?

Mr. POPPENHUSEN. When it was drawn?

Mr. ADCOCK. I do not know what you have reference to. It speaks for itself.

Mr. POPPENHUSEN. It is dated—it is in my handwriting, and is dated the 13th of November.

Senator HARDWICK. It speaks for itself.

#### TESTIMONY OF MR. LEWIS W. PITCHER.

(The witness was sworn by the Acting Chairman.)

Senator HARDWICK. All right, gentlemen, let us proceed as rapidly as possible.

Mr. ADCOCK. You reside in Chicago, Mr. Pitcher?

Mr. PITCHER. I do, sir.

Mr. ADCOCK. What is your business?

Mr. PITCHER. General insurance.

Mr. ADCOCK. What firm are you connected with?

Mr. PITCHER. Fred S. James & Co.

Mr. ADCOCK. They are large insurance brokers, are they not, in Chicago?

Mr. PITCHER. Quite extensive.

Mr. ADCOCK. Did you have any conversation with Mr. Poppenhusen some time in October, 1918, in regard to this Speedway matter? Will you state what that conversation was, and how you happened to call on Mr. Poppenhusen, or at Mr. Poppenhusen's office?

Mr. PITCHER. I did make a visit to Mr. Jacob Newman's office. At that time I did not know, and never had met Mr. Poppenhusen. A day or two previous to my call at their office, I had a conversation with Mr. Wallis Clark, of Clark & Trainer, in their office, and during that interview the question of the Speedway proposition came up, and during that conversation Mr. Clark said to me, "I heard a most excellent proposition made this morning, a suggestion that appealed to me that if adopted might go a long way toward smoothing out some of the difficulties that the Speedway seems to be meeting with in Washington?" And I said, "What was the suggestion?" "Well," he said, "the suggestion was practically this, that I undoubtedly was aware that the Speedway people were having more or less trouble in Washington; that they had at that time been unable to get through the proposition." I said, "Yes, in general way I am familiar with the situation. I understand in a general way that it is simply a question of price, of the land value, and not a question of price as to the value of the improvements." He said that that was his understanding.

I said, "It seems to me that that ought to be a matter that could be very easily arranged, if that is all there is, just a difference in price of land values." "Well," I said, "What is your suggestion, Wallace," and he said, "Well, if the Speedway people would go straight to the Secretary of War and offer to submit land values to four or five prominent citizens in Chicago that stood well in the community, and that the community had confidence in, that in all probability the Secretary of War would regard that as a very excellent way out of the difficulty, and ask these gentlemen to make such a valuation."

I said, "For instance, what men?" "Well," he said, "for instance, such men as George M. Reynolds, Mr. Wallace Heckman, Mr. Cham-

cey Blair, Mr. Cyrus McCormick, men of that character." I said, "Wallace, do you think that those men, busy as they are would care to take the time and go into this proposition and tender their services?" He replied, "Well, they are loyal citizens. I think that they would do anything to expedite the Government in the securing of hospital beds which are needed here in Chicago, you do not know how bad. You do not know the pressure that is being brought to bear upon the committee to secure these accommodations." I then said, "I do not know whether you know that Mr. Newman and I are associated in war work together, and I regard Mr. Newman in the same light that I do you, a good friend. And would it be embarrassing to you or Mr. Trainer, if I were to take this suggestion to Mr. Newman, as a way out of the difficulty?" To which Mr. Clark replied, "No; it would not embarrass me in the slightest. Wait a minute until I ask Milton." I said, "No, I do not want you to ask Mr. Trainer anything." I said, "If I am going to do this, I am going to do it of my volition. And it is not necessary for Mr. Trainer to know that we have had this conversation." He said, "It will not embarrass me in the slightest." I said, "I may be able to get this suggestion before Mr. Newman, at least I am willing to take the chance and try it."

I thought the matter over for two days before I went to Mr. Newman's office. Previously I had called up his secretary and then learned that he was here in Washington, but that he was expected home every day. So I deferred with the hope of getting this communication to Mr. Newman personally. I then ascertained that he was not liable to be home until the following Monday or Tuesday. Then I determined that if I ever wanted to get it to Mr. Newman in time to be of any value to him, and while he was here, that I would have to get this information through some member of his firm. So I went to see Mr. Poppenhusen. I had Mr. Newman's secretary, Mr. Goodman, take me in and introduce me to Mr. Poppenhusen, which he did. And when he left I stated the proposition—the suggestions, not proposition, merely suggestions—and told him where I had learned of the suggestions, and stated how they had appealed to me, and that I was exceedingly anxious to get this information into Mr. Newman's hands.

Senator BECKHAM. Did you mention Mr. Clark's name, Mr. Pitcher?

Mr. PITCHER. Yes, sir. I said, "How can you get it to him?" He said, "I can call him up on the long distance 'phone or I can write to him about it." I said, "Possibly you had better get it to him on the long distance 'phone."

(Thereupon at 12.55 o'clock a. m. the committee took a recess until 2 o'clock p. m.)

#### AFTER RECESS.

The subcommittee met at 2 o'clock p. m. pursuant to the taking of a recess.

#### STATEMENT OF SENATOR JOSEPH T. ROBINSON.

Senator HARDWICK. Senator, we are the subcommittee, or part of it, to consider your resolution. We have been taking testimony for about two weeks. If you have anything to submit, we will be glad to hear it.

Senator ROBINSON. Mr. Chairman, I have no testimony that I myself desire to give, but I have asked Mr. E. B. Gaines and W. E. Chester, of Hot Springs, Ark., to appear as witnesses in connection with a proposal to establish a hospital at Hot Springs, in connection with a statement that I understand was made in the record by Maj. Holden affecting the proceedings relating to the establishment of that proposal.

Mr. Gaines is what I would term the principal owner of the Eastman Hotel, and Mr. Chester is the manager of the hotel. They are present and they desire to make some statement in regard to the statement of Maj. Holden as affects the Hot Springs proposition.

Mr. W. T. S. Curtis, who is the attorney for Mr. Gaines, the regular attorney for Mr. Gaines, is also present and is familiar with the entire transaction, and as I have had no opportunity on account of other very pressing duties, to attend the committee during the proceedings, to hear the testimony, I ask, unless the committee desires to proceed in another way that Mr. Curtis be permitted to conduct the direct examination of Mr. Gaines and Mr. Chester, if the committee desires to hear them.

Senator HARDWICK. Very well. You do not care to do that yourself?

Senator ROBINSON. No; I have not heard any part of the testimony, and while I think I know the facts in relation to that matter, I would hardly feel competent to do it. I neither have heard nor read the testimony.

Senator HARDWICK. Do these gentlemen want to testify to substantially the same thing?

Mr. CURTIS. Mr. Chester, who is the manager of the hotel corporation, is the principal witness, and I am myself here on account of my connection with the case from the inception of the attempt of the Government to take our property. I would like to submit some papers and letters bearing on the subject which will explain the whole situation.

Senator ROBINSON. I would like to suggest that Mr. Curtis be permitted to make a statement if he desires to do so.

Senator HARDWICK. We will give him every consideration, except I want you gentlemen to be as brief as you can and state the salient facts, because our time is limited.

Mr. CURTIS. We want to prove that the statements that have been made here, that we have been endeavoring to profiteer on the Government and turn over to the Government a lot of worthless property is absolutely untrue.

Senator HARDWICK. Who made that statement?

Mr. HOLDEN. I made the statement; not quite in that way. You asked me about the proposal for \$410,000 and asked me what my impressions were of the hotel. I said that it was a rather poor hotel property.

Senator ROBINSON. I would like to make a further statement. I have been informed that Maj. Holden made the statement that a Mr. Trainer, whose activities have been the subject of some investigation by the committee, had performed a very valuable public service, in preventing the purchase at an excessive price of a building in Hot Springs for hospital purposes known as the Eastman Hotel.

I want to say in that connection what I believe the evidence will show to be the facts. Government officers, apparently believing that Hot Springs, on account of the curative principles of its waters, was a suitable location for a Government hospital, the waters being understood to be beneficial in cases of rheumatism, gout, and many afflictions that assail humanity, approached the owners of the property and asked that a price be submitted on the Eastman Hotel. The owners did not desire to sell the property to the Government, and did not initiate any proposition, and my idea was that if a hospital was located there, a new fireproof hospital in every respect should be built, unless the Government felt that, for its immediate purposes a building could be secured that met the requirements of the department.

The owner of the property, Mr. Gaines, and others representing him, submitted a price on the property which they claim is approximately one-half of the actual cost of the property and which they will prove by the statements of the greatest architects in the Southwest, or one of the greatest architects in the Southwest, is far less than what the property could be reproduced for; that after having that proposition they were advised that the Government considered the price too high, and a written record will be produced showing that the proposition was made that the Government could proceed to appraise the property and take it for any price that it was appraised for by persons responsibly constituted to perform that duty. After that proposition was made the owners of the property, who had not desired to sell it to the Government, but who had been approached by alleged representatives of the Government concerning the sale of the property for hospital purposes, were advised that it could not be used because in all probability it was not fireproof, and that it was the policy of the Government to purchase and construct only fireproof buildings for the use of soldiers' hospitals.

Senator HARDWICK. That statement was made in writing, Senator?

Senator ROBINSON. I do not know whether that particular statement was made in writing.

Senator HARDWICK. It will show us the details.

Senator ROBINSON. I think it was.

Mr. CURTIS. We have the details.

Senator ROBINSON. Mr. Curtis is in possession of the papers.

Senator HARDWICK. The reason I asked, this committee has heard a great deal to the effect that the Government did not want fireproof hospitals.

Senator ROBINSON. When that was presented to me, I felt that it was a perfectly fair proposition. My only connection with the matter of course being that the Board of Commerce of Hot Springs felt like a hospital ought to be located there, and wanted to see it located there, and I was from time to time submitting telegrams of inquiry as to the status of the matter to the department. I never received any notion myself that only fireproof hospitals were desired, but I felt when I heard that that it was a reasonable requirement. I felt that it would be, to say the very least, a senseless policy to see that wounded soldiers were put in buildings where they could not escape if a fire arose, and I was in sympathy with the views expressed. But after the statement was made that it was not available because it was not a fireproof building my information is that the evidence will



show that the owner of the building, who is a public-spirited man, who, while he was anxious to see a hospital located in Hot Springs, because he felt like that was the one place above all others where treatment of certain classes of afflicted soldiers, including those who had rheumatism and gout—and there were many of them—could be properly treated, while he did not want to sell his building, he did want to see a hospital located there, and he then had an architect make a statement as to the cost and best means of making the building fireproof, and that course was pursued.

My information is that the evidence will show that he said "Now, if you want a fireproof building, I will make it fireproof. I am patriotic enough to realize that the Government ought not to put wounded and afflicted soldiers in fire traps, and I will bear the cost of it." No consideration was given to that proposition, and while Col. Hornsby and Gen. Noble and everyone else in the department that I ever talked with said that a hospital would be built at Hot Springs, the committee that was sent out to investigate sites—and I do not know the names of the members of the committee—never came there, and declared that they had decided not to come there, notwithstanding the fact that Col. Hornsby told me that the committee would undoubtedly go there.

Senator HARDWICK. You refer now to this commission to lease buildings for temporary hospitals?

Senator ROBINSON. No; I refer to the committee of which Col. Hornsby said he was the head, to select sites

Mr. BENNET. That is the eastern commission.

Senator ROBINSON. My information was derived from Col. Hornsby, who, I am informed, was in charge of such matters, and he stated that he was one of three of a commission. I asked him the names of the other members of the commission and he said that he had control of the matter in so far as the selection of sites was concerned, and that it was the intention of the department to investigate the Hot Springs situation and to establish a hospital there.

That I think will be the evidence, and I think the committee will find that instead of Mr. Gaines and others associated with him in the conduct of this hotel, trying to work off a worthless property on the Government, that the property was submitted for a price far less than it cost, and far less than it could have been reproduced for.

I thank the committee for permitting me to make this statement. I am sorry that I can not remain during the progress of the testimony but my engagements are such that I have to be elsewhere.

Mr. ADCOCK. Just one thing that I want to speak about: Some time in the early part of the argument I asked Mr. Heckman at the time of the introduction of the Starrett report to appear. His name was mentioned on that report. Unless the committee wishes to ask Mr. Heckman some questions, I am willing that he should be excused.

Senator HARDWICK. I never did see the materiality of that testimony? I think possibly we had better go on with the witnesses that we have.

Mr. CURTIS. May I say a word. Mr. Chester and Mr. Gaines are here as a result of a telegraphic communication to come. Mr. Chester is the manager of the hotel, and wishes to get back just as quickly as he can. If it is possible to put them on I will endeavor to be brief.

Senator HARDWICK. We hope to do that this afternoon.

Let me ask you one thing, Mr. Adcock. How many more witnesses have you?

Mr. ADCOCK. One.

Senator HARDWICK. Mr. Trainer, will you come back to the stand a moment? Senator France wants to ask you a question, or maybe one or two on some point.

Senator FRANCE. Do you care to make an additional statement in reference to certain inquiries which the committee would like to make of you? If you are willing to make response under the same conditions as you made your other statement?

Mr. TRAINER. Yes, sir.

Senator FRANCE. Do you know Col. Hornsby?

Mr. TRAINER. Yes; I met him after I came to Washington.

Senator FRANCE. You did not know him before?

Mr. TRAINER. Well, I met him in April when I brought the State hospital project to Gen. Gorgas. He directed me to Col. Billings and Col. Noble. Maj. Hornsby was then in the office of Col. Noble.

Senator FRANCE. He is a Chicago man?

Mr. TRAINER. I did not know him then.

Senator FRANCE. But you have never known him prior to what date?

Mr. TRAINER. Prior to about the 28th of April. I met him when I went to Col. Noble's office with Mr. Thorne, the director of public welfare of Chicago.

Senator FRANCE. From that time on were you thrown together from time to time?

Mr. TRAINER. No; I saw very little of him.

Senator FRANCE. But you had interviews subsequent to that time?

Mr. TRAINER. I think my next interviews, meetings, with him were about the middle of September, when we came together after Gen. Noble and I returned from the New York district, where we had been for some three or four weeks on hospitals, and they came down to the organization of two commissions to go out to obtain hospitals, as directed by the Secretary of War on the 18th of September, a few days prior to that.

Senator FRANCE. Did you discuss with him from time to time various hospital projects?

Mr. TRAINER. No; unless it was something that came through their department that they asked for conferences with us.

Senator FRANCE. Did you ever talk with him about the Speedway proposition?

Mr. TRAINER. No; never discussed it.

Senator FRANCE. The subject never came up between you?

Mr. TRAINER. Never discussed it.

Senator FRANCE. The subject of the character of the land never came up between you?

Mr. TRAINER. No.

Senator FRANCE. Did you ever talk to him with reference to this project in Arkansas?

Mr. TRAINER. I never did. I would state that Col. Hornsby's commission were directed in their travel order to investigate Hot Springs, Ark.

Senator HARDWICK. You went out to Hot Springs, as I understand it?

Mr. TRAINER. In June.

Senator HARDWICK. Before you had begun your local connection with the real estate division?

Mr. TRAINER. Yes, sir.

Senator HARDWICK. In response to a telegraphic request?

Mr. TRAINER. A written request from Mr. Hodge.

Senator HARDWICK. The gentleman who has testified here?

Mr. TRAINER. Yes.

Senator HARDWICK. He asked that you make a report?

Mr. TRAINER. He asked that I make an investigation and make a report, and after returning to Chicago I sat down and filed my report.

Senator HARDWICK. It is a written report?

Mr. TRAINER. Yes.

Senator HARDWICK. That is all you know about Hot Springs?

Mr. TRAINER. Yes; everything after that was handled by Maj. Holden.

Mr. BENNET. I would like to ask one question. Mr. Hare testified that you had drawn up a memorandum to be submitted, as I understand it, to Secretary Baker in relation to the allegations that have been made here. Do you know whatever became of that memorandum?

Mr. TRAINER. I presented it, I think, on the 23d day of December, to Mr. Crowell, to be handed by him to the Secretary of War.

Mr. BENNET. Was there a letter prepared, if you know, to be signed by Secretary Baker, exonerating you from the charges?

Mr. TRAINER. There was.

Mr. BENNET. That letter was not signed by the Secretary?

Mr. TRAINER. Not to my knowledge. I never have seen it.

Mr. BENNET. Do you know what became of that letter that was prepared?

Mr. TRAINER. I do not. I have a copy of it.

Senator HARDWICK. You do not know where the original is now?

Mr. TRAINER. I do not.

Mr. BENNET. Do you know how many copies were made?

Mr. TRAINER. You are speaking now of the part of the letter for the Secretary to sign?

Mr. BENNET. Yes.

Mr. TRAINER. No; I do not.

Senator HARDWICK. You do not know whether it is with the Department of Justice now?

Mr. TRAINER. I do not.

Senator HARDWICK. Who prepared the letter, you or Mr. Hare?

Mr. TRAINER. I think I prepared it.

Senator HARDWICK. Mr. Hare handled it?

Mr. TRAINER. I handed it to Mr. Hare, together with a memorandum to give to the Acting Secretary of War, or the Assistant Secretary of War.

Senator HARDWICK. With the idea that he would bring it to the attention of Secretary Baker?

Mr. TRAINER. Yes.

Senator FRANCE. Had you talked from time to time with Mr. Hare about the Speedway project?

Mr. TRAINER. No; I had never discussed it with Mr. Hare until I went to him after my return in November, when he asked that my statement be taken down by the Inspector General.

Mr. BENNET. I did not get it quite clear. Did you prepare a letter that the Secretary was to sign?

Mr. TRAINER. Yes; I prepared one, and it was rewritten in Mr. Hare's office.

Senator HARDWICK. You mean merely copied or modified and changed?

Mr. TRAINER. It was copied in his office.

Mr. BENNET. And taken by Mr. Hare to Mr. Crowell, to be laid before the Secretary for signature, if he so desired?

Mr. TRAINER. That is my understanding.

Mr. ADCOCK. You simply submitted a draft of a letter that you would like the Secretary to sign?

Mr. TRAINER. Yes; presented a memorandum stating that I understood there had been a criticism made of me, and I would like to know what it was and would like to be heard, and stated in the memorandum that I had no connection with the Speedway project, and would like to have my statement taken, and if there had been any investigation I would like to be informed of the subject matter of the charges made against me, and if any findings, a copy of the report.

Senator BECKHAM. That was after the publication in the Chicago papers?

Mr. TRAINER. Yes, sir.

Mr. ADCOCK. That is all.

#### TESTIMONY OF MR. WALLACE HECKMAN.

(The witness was sworn by the acting chairman.)

Mr. BENNET. I presume you are familiar by recollection with your testimony before Maj. Stotesbury.

Mr. HECKMAN. Yes, fairly.

Mr. BENNET. In a general way?

Mr. HECKMAN. Yes.

Mr. BENNET. In that testimony you reflect on Mr. Edward Hines.

Mr. HECKMAN. You might call it a reflection. There are several constructions put upon my language.

Mr. BENNET. I want to ask you one or two specific questions. You stated in a direct way that so far as you are personally concerned you did not desire to have any relations with him?

Mr. HECKMAN. I do not think that is it.

Mr. ADCOCK. Why not let the witness see the statement.

(The statement was shown to the witness.)

Senator HARDWICK. See if you can not read that part each time if you want to direct his attention to it.

Senator FRANCE. Do you wish to know if he agrees with or modifies his statement?

Mr. BENNET. Yes. You said, referring to Mr. Hines, "Now, I do not need to comment on that, that his reputation is so well known by everybody, and I share the general view on that gentleman." That would be construed to be a reflection?

Mr. HECKMAN. Let me see how deeply you might construe it as a reflection. Mr. Hines is certainly a very resourceful man.

Mr. BENNET. I will read some more. I think there is more.  
[Reading:]

My conclusion to Col. Starrett was that notwithstanding Mr. Hines's reputation, since the price of that property was at the figure it had been figured in the transaction and the matter was in the hands of a contractor who was, so far as I know, responsible, and certainly was experienced, since they had that large amount of lumber right there on the plant, I did not see how the Government could approach the economy of construction anywhere else.

In other words, there was no doubt about it that you thought that his reputation in Chicago was bad.

Mr. HECKMAN. That is the only conclusion you draw from it. He was very resourceful.

Mr. BENNET. That was not what you said.

Mr. HECKMAN. The average man would not care to go up against his resourcefulness in a bargain. But nevertheless here was a transaction that seemed so favorable that it ought not to be turned down.

Mr. BENNET. I want to ask you one or two specific questions. Mr. Hines has been in business in Chicago approximately 40 years?

Mr. HECKMAN. I do not know how long a time.

Mr. BENNET. How long have you lived in Chicago?

Mr. HECKMAN. Many years. I think I came there in 1875.

Mr. BENNET. That is 44 years.

Mr. HECKMAN. Yes.

Mr. BENNET. Can you name to this committee one single specific instance in connection with Mr. Hines's business dealings in the city of Chicago which reflects in any way upon his integrity?

Mr. HECKMAN. No.

Mr. BENNET. Does he go out and get drunk, or anything of that sort?

Mr. HECKMAN. Not so far as I know.

Mr. BENNET. Any allegations that he was immoral in his relations with women?

Mr. HECKMAN. Never heard anything of the sort.

Mr. BENNET. Then all you know is that he is a very resourceful man?

Mr. HECKMAN. Very resourceful, and the average man might be outclassed in dealing with him.

Senator HARDWICK. Let me see if I can not help the committee a little to find out what you mean. Do you mean that Mr. Hines is such a shrewd person that ordinarily a man would get the worst of a deal?

Mr. HECKMAN. That is about it.

Senator HARDWICK. But in this particular matter, the merits of the proposition demonstrated otherwise?

Mr. HECKMAN. In this proposition, the subject of getting a hospital, the economy of the purchase of the land at that price, the availability of so much steel and lumber and plumbing things right on the ground, and we were all there, as we were all over the country, I suppose, very intent on having hospitals provided, and this seemed to be the best that could be offered.

Senator HARDWICK. In other words, you mean to say, no matter what they got down there, that Mr. Hines was such a shrewd business man, that ordinarily a man would get the worst of a trade with him.

Mr. HECKMAN. That is the heart of it.

Senator HARDWICK. But the Government in this particular trade was not getting the worst of it?

Mr. HECKMAN. Precisely.

Mr. BENNET. Can you name one single instance in which Mr. Hines has used his ability, which we will admit, to take an unfair advantage of a competitor?

Mr. HECKMAN. Not of my own knowledge, personally. I have no hostility to Mr. Hines, Mr. Bennet.

Mr. BENNET. How does it come that when anyone wants an unfavorable opinion, they go to you for it?

Mr. HECKMAN. I decline to admit that that is the fact. It is fair to say Mr. Hines is a donor to my institution, and I could not have any hostility to Mr. Hines.

Mr. BENNET. They can not buy you be making donations?

Mr. HECKMAN. I could not be said to have any personal hostility.

Senator FRANCE. What is your institution?

Mr. HECKMAN. The University of Chicago.

Mr. BENNET. You are also on record as giving a rather high eulogy on the firm of Clark & Trainer in connection with the real estate business where they bought some land.

Mr. HECKMAN. Yes.

Mr. BENNET. And they found that by not magnifying their office, to use your own language, and concealing from the people from whom they were buying the land the fact that it was being purchased for the University of Chicago, they were able to get the land cheaper than they would otherwise?

Mr. HECKMAN. Not that, Mr. Bennet.

Mr. BENNET. Is that your language?

Mr. HECKMAN. That is not the whole of it. I said that the straightforward way in which they transacted their business and dealing with so many people, and carefully attending to it and letting nothing be known about the interests of the university in the transaction and handling it with good judgment, and all that, when there would be opportunities to take advantage of us, and there was nothing like that that occurred.

Mr. BENNET. So Mr. Trainer's plan was to send the title around to trust companies and other people so that the people selling the land would not know that the university was buying?

Mr. HECKMAN. Let me explain exactly. If it was known that the university was expecting to buy considerable tracts of land, there were certain real estate speculators who would buy up some of the property. The university has no right of eminent domain, and the owners of the property could exact any amount almost that they wished.

Senator TRAMMELL. Trainer & Clark were representing the university and not the people selling?

Mr. HECKMAN. Yes.

Mr. BENNET. Here is your language [reading]:

If they had been inclined to have magnified their work it would have leaked out. They handled it very successfully, purchasing a mile frontage of the lot, and it didn't leak out until it was all over. It was done in a very straightforward way. I knew that Clark knew values along the canal.

Wasn't it your intention by the language I have read to congratulate Clark & Trainer that they had been able to purchase the land at a low price?

Mr. HECKMAN. That they had transacted it in a businesslike manner.

Mr. BENNET. And got it cheap?

Mr. HECKMAN. At a fair value.

Senator HARDWICK. Suppose they had gotten it cheap. If they were agents they ought to have gotten it cheap, as cheap as they could.

Mr. HECKMAN. The point is that they could have let their friends know about the desire of the university to purchase that property. It would have put the university at a disadvantage.

Mr. BENNET. You are commending them for this, that after you had retained them they would not let anybody else in on it?

Mr. HECKMAN. It was done in a businesslike way, that is all.

Mr. ADCOCK. How long have you known Mr. Clark and Mr. Trainer?

Mr. HECKMAN. I think I must have been acquainted with them for 20 years.

Mr. ADCOCK. Have you known them well?

Mr. HECKMAN. Quite well.

Mr. ADCOCK. You know of their business relations in Chicago?

Mr. HECKMAN. Yes.

Mr. ADCOCK. Have they performed considerable work for you other than this matter?

Mr. HECKMAN. Well, in some instances, yes. One or two.

Mr. ADCOCK. Do you know of other real estate transactions that they have carried on for other people?

Mr. HECKMAN. Yes.

Mr. ADCOCK. What is the reputation of Mr. Clark for integrity and honesty in Chicago?

Mr. HECKMAN. It is very high. He is a trustee of the sanitary district, and his standing is of the first order.

Mr. ADCOCK. You never heard any reflections upon his character expressed by anybody?

Mr. HECKMAN. No, neither his character nor his integrity.

Mr. ADCOCK. What is the reputation of Mr. Trainer for integrity and honesty in Chicago?

Mr. HECKMAN. The same.

Mr. ADCOCK. Have you ever heard any reflections upon him?

Mr. HECKMAN. Never heard any reflection upon him at all until this transaction arose, that has been before this committee.

Mr. ADCOCK. A man may have a reputation in a community and you may know of his reputation in that community, and yet you might not know any specific thing that he had done wrong?

Mr. HECKMAN. That is a general rule.

Mr. ADCOCK. In other words, Mr. Hines's reputation might be bad in Chicago and yet you might not know of any specific thing that he had done that was wrong, but it is the reputation that he had?

Senator FRANCE. Now, does the testimony show anything to that effect? Chicago is a very large city, of a million or more people, and it seems to me that there is nothing in the testimony to establish anything such as is intimated by counsel.

Senator HARDWICK. Let me see if I understand this. You say you were simply trying to express the idea that Mr. Hines was such a

shrewd trader that an ordinary man would be outclassed; that is the limit of what you meant?

Mr. HECKMAN. Yes.

Senator TRAMMELL. I did not understand him to say that he acted dishonestly, but possibly some people would say that he was very sagacious.

Senator HARDWICK. The evidence of the Stotesbury report went farther than that, but you say you want to express that now, that that is what you really meant?

Mr. HECKMAN. That interpretation can be made, if you will examine it.

Senator HARDWICK. Yes; and that is what you meant.

Mr. HECKMAN. I do not modify it.

Senator HARDWICK. You give it you think what ought to be the true interpretation of the language?

Mr. HECKMAN. That is correct, Senator.

Senator FRANCE. As a result of this real estate transaction which Mr. Trainer and Mr. Clark, trading as Trainer & Clark conducted for this university, as a result of that, would you be led to say that Mr. Trainer was a resourceful man in business?

Mr. HECKMAN. Why, yes; I would say that that might be said of Mr. Trainer.

Senator FRANCE. Would you also say that Mr. Clark was a resourceful man, as a result of your experience with him in that transaction?

Mr. HECKMAN. Perhaps that might be applied to him.

Senator FRANCE. Well, then, your testimony really shows that all three of these gentlemen are resourceful business men?

Mr. HECKMAN. In that particular. You might not class them all alike for brilliancy.

Senator HARDWICK. What is the difference?

Mr. HECKMAN. One might be a little more brilliant than the other and still be resourceful.

Mr. ADCOCK. But so far as your knowledge of Mr. Clark and Mr. Trainer is concerned, their business resourcefulness, etc., they have a sense of honor and integrity, have they not?

Mr. HECKMAN. I certainly should not have employed them for this eleemosynary institution if I had not been convinced.

Senator FRANCE. I wonder if you ever inquired of the people who sold this property through Clark & Trainer to an unknown purchaser, which afterwards proved to be the University of Chicago—I am wondering if you ever inquired of them their opinion of Clark & Trainer?

Mr. HECKMAN. No.

Senator HARDWICK. It has very little bearing anyway, and if you are through we will go on.

Senator FRANCE. It has a bearing only as showing that the point of view has something to do with reputation.

Senator HARDWICK. I did not mean your question, Senator.

We will excuse you, doctor, with thanks for your attendance and statement to the committee.

Come back Mr. Pitcher.

Mr. ADCOCK. One thing while Mr. Heckman is there, ask him if he had any conversation some time in September with Gen. Noble



and made reference to the manner in which this Speedway project might be presented to the Government.

Mr. HECKMAN. Was that not later than September?

Mr. ADCOCK. It may have been in October, before Gen. Noble left.

Senator HARDWICK. His statement was that if he could get certain prominent persons to press it it might go through.

Mr. ADCOCK. The statement you made was intended to be a helpful suggestion so far as the Speedway proposition consideration by the Government was concerned?

Mr. HECKMAN. It seemed to be Gen. Noble's idea and mine and Mr. Starrett's, that that was a project which would be very beneficial to the Government to get a hospital at a reasonable price, and to secure the men of high standing who would make an examination of the business end of it—

Senator HARDWICK. And vouch for the proposition, that might help it?

Mr. HECKMAN. Yes.

Mr. BENNET. You thought that that would put a halo on the proposition?

Mr. HECKMAN. Not at all. I did not suggest my friends. I suggested these men simply meaning citizens of a class.

Mr. BENNET. Yourself and other eminent citizens.

Mr. HECKMAN. No, sir; not at all; my name was not mentioned.

Mr. ADCOCK. You mentioned the names merely to illustrate a class of men in Chicago of high character and standing in the business community?

Mr. HECKMAN. That was all, the leading bankers, the leading manufacturers, etc.

Senator HARDWICK. Let me see if I understand what that incident is. Your idea was that this proposition was of such intrinsic value that if it were examined by a committee of that character who would vouch for it, it would greatly help it?

Mr. HECKMAN. And facilitate it and get the hospital at once.

Senator HARDWICK. Come back to the stand, Mr. Pitcher.

#### TESTIMONY OF MR. LEWIS W. PITCHER—Resumed.

Mr. PITCHER. He said that he could get a letter off immediately and Mr. Newman would have it almost as quickly for consideration as if he got him on the long distance 'phone, and there was too much of the subject to talk over the telephone.

Senator HARDWICK. Did Mr. Poppenhusen show you a copy of the letter that he wrote?

Mr. PITCHER. No.

Senator HARDWICK. Have you ever seen a copy? You heard it read this morning?

Mr. PITCHER. Yes, sir.

Senator HARDWICK. Are the statements contained in that letter a substantial account of the conversation?

Mr. PITCHER. The suggestion is all there. The comments on these suggestions are not there because I did not comment on them. I did not discuss values or anything with anybody.

Senator HARDWICK. Let us go through the letter a little and let us see what you say you did not say, and then we will know exactly what occurred between you and Mr. Poppenhusen; according to you.

You did tell him that you had grown to know Mr. Newman intimately and come to have a high regard for him?

Mr. PITCHER. Yes.

Senator HARDWICK. And you stated that your purpose was to help Mr. Newman?

Mr. PITCHER. Yes.

Senator HARDWICK. You did tell him that he was on the rocks and fighting obstacles without the information you had, did you not?

Mr. PITCHER. Not exactly.

Senator HARDWICK. In substance?

Mr. PITCHER. Yes. I understood that they were meeting with difficulties here which checked their progress.

Senator HARDWICK. And the information you could give him might help him?

Mr. PITCHER. Yes.

Senator HARDWICK. Did you tell him that you had been for some time familiar with the Speedway property and your firm carried insurance thereon?

Mr. PITCHER. Probably I did.

Senator HARDWICK. That Mr. Hines stood to lose a very large amount of money on his investment? Did you say that?

Mr. PITCHER. No, sir.

Senator HARDWICK. Did you say that Edward Hines ever since the Lorimer affair had most bitter enemies—an overwhelming number of people who would go out of their way to injure him?

Mr. PITCHER. I have no recollection of commenting on Mr. Hines at all. I was there to be a friend to Mr. Newman and his clients.

Senator HARDWICK. We understand that that was your purpose.

He said further that everybody in Washington was afraid of dealing with the situation, as some one was intending to use political influence in so many different directions that those in charge of the work and having sworn duties to perform were disgusted and unwilling to do anything and put blocks in the way.

Do you remember that?

Mr. PITCHER. No, sir; knew nothing about the situation at that time.

Senator HARDWICK. And that you were satisfied from such knowledge as you had of the situation, and you had very intimate knowledge as you were exceedingly close to the War Department, that a great many things had been and were being done without Mr. Newman's knowledge and that Mr. Newman ought to be advised?

Mr. PITCHER. No, sir.

Senator HARDWICK. Do you remember speaking to him about Gen. Noble?

Mr. PITCHER. Yes, sir.

Senator HARDWICK. What did you say to him about Gen. Noble?

Mr. PITCHER. I said that I understood that a new commission or committee had been appointed, of which Gen. Noble was the one who had this matter in charge; that the committee were exceedingly anxious for some action on the part of this committee bringing about an adjustment or settlement of the Speedway and other hospital projects.

Senator HARDWICK. Anything further about that?

Mr. PITCHER. That is the substance of it.

Senator HARDWICK. Do you remember handing him Mr. J. Milton Trainer's card?

Mr. PITCHER. I did not hand him a card.

Senator HARDWICK. On which was written "General Staff, Annex Building, Washington, Real Estate, Supply and Storage Department."

Mr. PITCHER. No, sir.

Senator HARDWICK. Did not give him that card?

Mr. PITCHER. No, sir.

Senator HARDWICK. Did you tell him that this man just named on the card was the only man who could put this thing through; that the cooperation of this man was essential and necessary?

Mr. PITCHER. I did not say that Mr. Trainer was the only man who could put this thing through. I said this committee and the War Department would have to be satisfied, hence suggested that such men as I named, that the proposition be put up to them for an appraisal of the land values.

Senator HARDWICK. Did you suggest that to Mr. Trainer and refer it to this committee?

Mr. PITCHER. No, sir.

Senator HARDWICK. Did you know that Mr. Trainer was a member of this commission?

Mr. PITCHER. Yes, sir.

Senator HARDWICK. And you did know that this committee had to be satisfied?

Mr. PITCHER. I think I said that this committee has full charge of the location and selection. That, however, was merely my own understanding. I never had any talk with the committee in any way.

Senator HARDWICK. Now gentlemen go ahead.

Mr. ADCOCK. What was your purposes in going there, Mr. Pitcher?

Mr. PITCHER. My main purpose was to carry that suggestion that I had received from Wallace Clark to Mr. Newman, feeling that it might be of value to him, and likewise of value to the Government in the general hospital situation.

Mr. ADCOCK. You understood that the committee was having difficulty in obtaining the beds that they required?

Mr. PITCHER. That was newspaper comment day by day.

Mr. ADCOCK. And you did not, in going there, understand that you were going there in order to get Mr. Clark or Mr. Trainer into the deal on a commission basis, or anything of that kind?

Mr. PITCHER. Not at all.

Mr. ADCOCK. Did you so state to Mr. — did you say anything about that to Mr. Poppenhusen?

Mr. PITCHER. I do not recall.

Mr. ADCOCK. You do not remember whether it was discussed?

Mr. PITCHER. I do not recall whether that was discussed or not.

Mr. ADCOCK. As I understand it your purpose was that of endeavoring to make a helpful suggestion out of the difficulty.

Mr. PITCHER. Yes, sir.

Mr. ADCOCK. You knew Trainer and Clark well, did you?

Mr. PITCHER. Yes, sir.

Mr. ADCOCK. You knew Mr. Newman well?

Mr. PITCHER. Yes, sir.

Mr. ADCOCK. And knew the difficulties which the commission were encountering?

Mr. PITCHER. In a general way.

Mr. ADCOCK. Did you have any talk with Mr. Newman afterwards, after he returned to Chicago?

Mr. PITCHER. Yes, sir.

Mr. ADCOCK. What was that conversation?

Mr. PITCHER. I repeated for Mr. Newman's benefit the substance of what I had stated to Mr. Poppenhusen.

Mr. ADCOCK. Do you believe that Mr. Newman understood your purpose in going there to see Mr. Poppenhusen?

Mr. PITCHER. I did so understand.

Mr. ADCOCK. The purpose that you have stated?

Mr. PITCHER. Yes, sir.

Mr. ADCOCK. You have known both Trainer and Clark for many years, have you?

Mr. PITCHER. Twenty-odd years.

Mr. ADCOCK. And their reputation for honesty and fair dealing in Chicago is good?

Mr. PITCHER. I never heard it questioned.

Mr. ADCOCK. Did it appear in your talk with Mr. Clark that he was in any way prejudiced against the Speedway project being consummated with the Government?

Mr. PITCHER. Not at all. I saw no objections. On the contrary, I inferred that he was decidedly favorable toward the Speedway project as a whole.

Mr. ADCOCK. And you understood that what he was interested in was in helping the committee, if possible, to get beds?

Mr. PITCHER. He had been working, to my knowledge, for some committee that was here, because I had gone to his office on numerous occasions on business which was important to him, and I was informed that he was off with this colonel or this major looking into this hospital situation, and it was impossible for me to see him.

Mr. ADCOCK. That is all.

Mr. BENNET. Mr. Poppenhusen is correct in his statement when he says that he asked you if anyone sent you there, and you said "No"?

Mr. PITCHER. I do not recall that Mr. Poppenhusen asked me if somebody sent me there.

Mr. BENNET. Let me see the part of his letter.

Mr. PITCHER. There was not any doubt in my mind that Mr. Poppenhusen fairly understood why I was there and the purpose of my going there, and Mr. Poppenhusen did not question the statement that I made, and he said he would convey it to Mr. Newman at the earliest possible moment.

Mr. BENNET. Mr. Poppenhusen says in his letter. [Reading:]

I could not find out who had made this suggestion to him, as he did not tell me. Of course, I have my own ideas, and you may have yours.

So that Mr. Poppenhusen, according to his statement, did ask you, or made the suggestion to you and did ask who, and you would not tell him. Is that correct?

Mr. PITCHER. I have no recollection.

Mr. BENNET. You were examined before Maj. Stotesbury, were you not?

Mr. PITCHER. I made a statement to Maj. Stotesbury.

Mr. BENNET. And did you not state this, referring to your visit to Mr. Poppenhusen. [Reading:]

He rather intimated by a question which he asked of me if I had been approached by anybody to make this suggestion, and I said "No." I did it solely out of my friendship for Mr. Newman, my desire to see him succeed.

Mr. PITCHER. I expect likely that was true.

Mr. BENNET. The fact is that you have testified that you were asked to make this suggestion by Mr. Clark, Mr. Wallace Clark.

Mr. PITCHER. No, no; I was not asked by Mr. Clark.

Mr. BENNET. Did not Mr. Clark ask you to see Mr. Poppenhusen?

Mr. PITCHER. No, sir.

Mr. BENNET. Did he not suggest that you see Mr. Poppenhusen?

Mr. PITCHER. No, sir.

Mr. BENNET. Did he not know that you were going to see Mr. Poppenhusen?

Mr. PITCHER. Not until he had presented this suggestion, and then I informed him of my association in the war activities with Mr. Newman and suggested that possibly I might be of service in communicating this to Mr. Newman.

Mr. BENNET. And you went to see Mr. Poppenhusen as a result of the conversation you had with Mr. Clark?

Mr. PITCHER. Yes, sir.

Mr. BENNET. And when Mr. Poppenhusen asked you who had made this suggestion to you, you would not tell him?

Mr. PITCHER. If I had understood that he was asking me a question of that kind, I would have answered. But nobody made the suggestion to me that I go to see Mr. Poppenhusen.

Mr. BENNET. Can you imagine any reason why you did not say to Mr. Poppenhusen, frankly, "I have been talking about this matter with Mr. Wallace Clark, and here is what he thinks is a good suggestion, and I have given it 48 hours' consideration and I think it is a good suggestion. I am a friend of Mr. Newman and I wish you would communicate this to him." That would have been natural?

Mr. PITCHER. That might not have been natural for me to go that far. I had a specific purpose in mind, and I was getting at it the simplest way without magnifying it.

Mr. BENNET. You did not think the mention of Mr. Clark's name would injure the purpose? He stands high in Chicago.

Mr. PITCHER. I saw no cause for giving the source.

Mr. BENNET. Did you have any reason for concealing it?

Mr. PITCHER. I had no reason: no.

Mr. BENNET. You did not mention it?

Mr. PITCHER. It did not occur to me, perhaps.

Mr. BENNET. And when Mr. Poppenhusen asked you the direct question, and made the intimation, which you recall, afterwards, on the 6th of September, you said that nobody sent you?

Mr. PITCHER. That was right. Nobody did send me.

Mr. BENNET. Was not that a quibble on words?

Mr. PITCHER. I do not think so.

Mr. BENNET. Are you related in any way by marriage or otherwise to either Mr. Clark or Mr. Trainer?

Mr. PITCHER. No, sir.

Mr. BENNET. Just a friend. Do you know what Mr. Clark meant when he made this statement to you, as you testified before Maj.

Stotesbury, "Milton can't go to the other side." I will show you your testimony. This part contains the words I have read.

Mr. PITCHER. I have read it.

Mr. BENNET. You have read it recently?

Mr. PITCHER. Yes.

Mr. BENNET. Why did Mr. Clark refer to Mr. Hines and his friends as the other side?

Mr. PITCHER. I have no recollection of making any statement of that kind to Maj. Stotesbury.

Mr. BENNET. It is in here.

Mr. PITCHER. I am not responsible for what is there. I never saw it. I have not had the privilege of looking through there to see what they say that I said.

Mr. BENNET. Your statement is that that particular incident and part of the conversation that is included in Maj. Stotesbury's report is incorrectly reported by Maj. Stotesbury? Is that correct?

Mr. PITCHER. That would be my inference.

Mr. BENNET. And that you never said that?

Mr. PITCHER. I have no recollection of saying it, or any question being asked me in reply to which I made a statement of that kind.

Mr. BENNET. Can you give me any reason why it took you 48 hours to make up your mind to see Mr. Newman after you had had this talk? But never mind that question.

Just a personal question. You and Mr. Newman are pretty good friends as you have testified?

Mr. PITCHER. Yes, sir.

Mr. BENNET. Are you aware that Mr. Newman while he was examined by Maj. Stotesbury asked to be excused from mentioning the name of a Grand Army veteran that came to him?

Mr. PITCHER. I saw that in the Chicago papers.

Mr. BENNET. I am asking as to whether you knew that to be the fact when you were examined on the 6th of November?

Mr. PITCHER. No, sir.

Mr. BENNET. Are you aware how Maj. Stotesbury got hold of your name?

Mr. PITCHER. I did not know at the time.

Mr. BENNET. Do you know now?

Mr. PITCHER. I know now.

Mr. BENNET. How?

Mr. PITCHER. Through Mr. Clark, I understand.

Mr. BENNET. And in no way from Mr. Newman?

Mr. PITCHER. In no way from Mr. Newman.

Mr. NEWMAN. If the committee please, pardon, I simply want Mr. Pitcher to know that I did not disclose his name.

Senator FRANCE. That is true. The testimony shows that he declined.

Mr. BENNET. When he was examined here he also asked to be excused from mentioning the name on the grounds mentioned.

Mr. ADCOCK. Mr. Newman, you did not understand that any reflection could be cast upon Mr. Pitcher's connection in this matter?

Mr. NEWMAN. I have unbounded confidence in Mr. Pitcher, and I believe his motives of the best.

Senator FRANCE. There was nothing in the evidence to show that his motives were not of the very best.

Mr. ADCOCK. Merely because you did not want to associate his name—

Mr. NEWMAN. I did not want his name to be mixed up in this matter because what he did I think he did from the best of motives, and I certainly would not get him mixed up in it if I could possibly avoid it.

Mr. ADCOCK. Maj. Stotesbury did not personally take this testimony in shorthand. He had a shorthand reporter?

Mr. PITCHER. Yes.

Mr. ADCOCK. Now as you understood the conversation of Mr. Clark that day, you did not understand that Mr. Clark knew that you knew Mr. Newman when he first talked about this committee of eminent citizens, did you?

Mr. PITCHER. I had no reason to believe that Mr. Clark knew of my association with Mr. Newman at all.

Mr. ADCOCK. When you mention in this letter here the names of Mr. — you mentioned in the letter that you did mention the names of Cyrus McCormick, George M. Reynolds, Wallace Heckman; they were simply the type of men that you suggested, not these particular men. Is that true?

Mr. PITCHER. Not necessarily, that type of men.

Mr. ADCOCK. That is all.

Senator HARDWICK. Anything else. If not the witness is excused with the thanks of the committee for his testimony.

Mr. CURTIS. I would like to have Mr. Chester make a statement.

Senator HARDWICK. How long?

Mr. CURTIS. Twenty minutes. I would like also to file letters and telegrams from Gen. Gorgas asking us to get into communication with him.

#### TESTIMONY OF MR. W. E. CHESTER, HOT SPRINGS, ARK.

(The witness was sworn by the acting chairman.)

Mr. CURTIS. Now, Mr. Chester, make this as short as possible. Please state your connection with the Eastman Hotel, Hot Springs, Ark. What is your position?

Mr. CHESTER. In December, 1917, about December 1, the commanding officer of the medical corps, Charles M. Gandy, called me to come over there, and he read me two letters that he had received from the department in regard to hospital facilities at Hot Springs, and one letter in regard to taking over the Eastman Hotel.

Senator HARDWICK. You are manager of the hotel?

Mr. CHESTER. Yes, and treasurer of the company.

Mr. CURTIS. How many years have you been with them?

Mr. CHESTER. Twenty years.

Senator HARDWICK. They sent for you, these military officers?

Mr. CHESTER. Yes, sir; they sent for me. He sent for me, and told me that they wanted to lease it—did not want to buy it. They wanted to lease it until one year after the termination of the war. I told him that that would ruin our business; that after they turned it back to us it would not be of any use to us as a hotel. We figured on a price, and I submitted them a figure of \$645,000 for everything as it stood.

Mr. CURTIS. What did that include?

Mr. CHESTER. All of Block 85, in the city of Hot Springs, and two lots in Block 84. I told them that I had no authority to say that the company would take that or not, but that I would get in touch with the president and the larger stockholder, and ask him if it would be all right, and I took the train to New York. He lived at Englewood, N. J.

Mr. CURTIS. He is the president of the company?

Mr. CHESTER. He is the president of the company. I went over the matter with him and with another of the large stockholders at Englewood, N. J., and they thought that, everything considered, they would not lease it, but would take that price. I went back, and Col. Gandy wrote me a letter on December 14, and which I replied to under date of December 17.

On January 10 I submitted to the War Department a list of what we proposed to turn over to them, a complete inventory of everything in the hotel, a description of the land, maps of the city, and a picture of the hotel.

(The inventory referred to is here printed in the record as follows:)

Mr. CURTIS. That was sent to Washington upon my request?

Mr. CHESTER. Yes. You telegraphed me to get it.

Mr. CURTIS. Maj. King had requested that information.

Mr. CHESTER. Yes; that is correct.

On March 14, 1918, Maj. S. B. Wheaton, of Washington, D. C., and Maj. W. Bothwick, of Fort Worth, Tex., arrived at Hot Springs, and stopped at the Eastman Hotel.

Mr. CURTIS. Who were they?

Mr. CHESTER. Army officers. They inspected the property March 14, 15, 16, and 17. They told me they were sent by the War Department to make an examination of what the Eastman Hotel consisted of. I spent two days with them, and Col. Ganby spent at least two days, and they made a thorough examination of the property, and their report was submitted to Washington, and I understood their report was favorable.

Mr. CURTIS. I would like, if the committee pleases, in that connection, as this bears on the question of value of that property, to show that we are not profiteering. I would like to have the committee call upon the War Department for those reports. I have not seen them.

Senator HARDWICK. Before you quit honoring the committee with your presence, describe the matter that you want to the secretary, and he will get them.

Mr. CHESTER. In June, 1918, the 15th to the 18th of June, Mr. Trainer stopped at the Eastman Hotel with us. I did not know that the gentleman was in the city until Col. Ganby, the commanding officer of the Army and Navy Hospital, told me. He called me up the next day and said that there was a man from the War Department to go over the Eastman Hotel property and wanted me to meet him at 1.30. About 15 or 20 minutes after that Mr. Trainer called and we went over to the hotel to go through it. I do not think that Mr. Trainer was in but one room in the hotel. I do not think that he examined the property as far as the hotel was concerned in any way, shape or form. I know that when we went into the engine room, my keys would not fit. The boilers and electrical machinery



were there. I said that it would take me five minutes to go and get my keys and he said it was not necessary, and he did not go in.

We went through the kitchens, down through the halls, the laundry, through the public room, through the public parlor and dining room, and so forth, and that was all the examination that I know of that Mr. Trainer made.

Mr. Trainer said to me, "I understand that this hotel is a losing proposition." I told him that it was making money, and I also produced the books and let him have access to them to show that it was making money. He said, "You do not need to tell me anything about it. I have known it from Chicago."

One question he asked me; he says, "Now, everybody has an asking price, and everybody has a selling price. Your asking price is \$645,000. What is your selling price?" I told him it was not one cent less, and the only reason we made this price was because we did not want the Government to take it on a lease.

I went back to the Arlington Hotel the next morning. I had charge of the remodeling of the Arlington Hotel.

Senator HARDWICK. That is on the reservation?

Mr. CHESTER. On the reservation. We lease from the Government. I was remodeling that hotel, and building new dining rooms and kitchens, and putting in some extra work.

He came out there, and his little boy was with him. He said, "Who is the contractor doing this work?" I told him I was doing it myself; we thought we could do it, on an old building like this, and save some money. He said, "I have found, myself, that the only way to do an old building." "Now," he says, "if we take the Eastman Hotel, we would like very much to have you take charge of doing the remodeling, and doing this work, and I would like to have you hold yourself in readiness to come to Washington; and," he says, "I will send for you." Then he said, "In the meantime, I want you to try to get me the plans and specifications for the Eastman Hotel and send them to me at Washington."

I did that, and so far as I know, that was the last of it.

Senator FRANCE. Do you know whether Mr. Trainer ever interviewed any of the other parties interested in this hotel?

Mr. CHESTER. Not that I ever heard of, that he ever interviewed any of the other parties interested in the hotel.

Senator FRANCE. Or any of the stockholders or officers?

Mr. CHESTER. None that I know of.

Mr. CURTIS. I can make a statement later on in regard to that.

Mr. CHESTER. There are three or four things that Mr. Trainer says in his statement here that are absolutely misstatements. Now, in one place he is absolutely misinformed. He says we are trying to get rid of the property, which we absolutely never tried to do.

In the next place, he says the hospital has been closed. It never was closed since it was built.

In the third place, he says it never paid a dividend. It has paid dividends for 20 years, with the exception of 3 or 4 years when the profits were put back into the house, when it was all rewired and running hot and cold water was put in the rooms, and 50 bath tubs added. In fact, the plumbing to-day is 90 per cent new.

Then he says that we are assessed at \$100,000. We are assessed at \$165,000, and we paid taxes in 1917 on \$165,000.

Mr. CURTIS. How long has that assessment been running?

Mr. CHESTER. I do not know, but I looked up the taxes in March, and we were assessed in 1917 for \$165,000.

Mr. CURTIS. That was prior to this report?

Mr. CHESTER. Yes, sir; that was prior to this report. A week ago I received a wire from Mr. Gaines, the president of our company, asking me to call on Mann Stern, of Little Rock, the leading architects there——

Mr. CURTIS. They are the Government architects of the improvements at Hot Springs, are they not?

Mr. CHESTER. They are.

Mr. CURTIS. And also the architects of the State capitol at Little Rock?

Mr. CHESTER. Yes. I was asked to get in touch with them and to see what this property could be duplicated for to-day. I had them go over there and spend two or three days, and they made the statement which I am going to attach here of the cost of reproducing the property to-day, which they figure, including the furnishings, at \$1,005,889, and the real estate, of which I am attaching a paper here, according to the estimate of the leading real estate man and bankers in Hot Springs, is valued, without anything on it, at \$1,308,115.

Here is a letter from the president of the Union Trust Co. of Little Rock, which is one of the biggest banks there. He is a leading man, Moorhead Wright. He stands as well as anyone in Arkansas. He says that this firm is A No. 1, and anything they say he will verify. That is all I have to say. That is our case.

Mr. CURTIS. The reason of calling Mr. Chester, I may say to your committee at this time, is merely to show that the figures at which we offered this property, \$645,000, included the actual cost. The cost of the stock to the stockholders, consisting of men and women all over the country, was \$600,000, and \$45,000 trust——

Mr. CHESTER. A mortgage.

Mr. CURTIS. We call it a trust here, but a mortgage.

Mr. CHESTER. Yes.

Mr. CURTIS. When this matter came up, Mr. Gaines spoke to you about it, and you gave that figure?

Mr. CHESTER. I submitted that in writing, as the record shows.

Now, we have had this estimate made by reputable people, who have examined it thoroughly and know. The firm of Mann & Stern show that the property is worth a million and a quarter at least.

We do not feel as though the statement that this property is worth only \$110,000, and the statement of Mr. Holden, which I want to read again——

Senator TRAMMEL. Now, wait a second. You say that they state that this property is worth a million and a quarter?

Mr. CURTIS. Yes.

Senator TRAMMEL. They did not say that. They said it would cost that much to reproduce it.

Mr. CHESTER. Yes, sir.

Senator TRAMMEL. There is, of course, a difference between what a property is worth and what it would cost to produce that property new, as to the question of values. I just want to get straight on that amount.

Mr. CURTIS. I will answer you in this way, that since this property has been built we have put about \$400,000 worth of improvements in it, and only four years ago remodeled the bath houses upon the direction of the Secretary of the Interior, at a cost of nearly \$60,000, and with all of the improvements that have been put on, therefore, we feel as though to-day the property is worth more, is more valuable than it was when it was capitalized at \$600,000 some years ago.

Senator HARDWICK. Mr. Adcock, do you want to ask some questions?

Mr. ADCOCK. Just one question. Where do you find, in this telegram of June 24, it stated that the hotel people wanted to get rid of this property?

Mr. CHESTER. In Mr. Trainer's testimony of yesterday it is stated. I have just read the report of yesterday's testimony.

Mr. CURTIS. May I just say this? I overlooked this. I just want to requote in the record these words from his testimony [reading]:

Senator HARDWICK. You said his first work for the Government was at Hot Springs. Did you have any trouble with that project?

Mr. HOLDEN. If you wish my honest opinion as to the project, they were trying to unload an old hotel on the Government. They wanted to put it in at \$650,000, and Mr. Trainer wired back very much against it. He said it was a fire trap, and he said if the Government took it at all it would be at \$410,000; and there was a good deal of an effort made by other people to get it sold, and finally the Surgeon General withdrew the request.

That is the explanation why.

Senator HARDWICK. That is why you are here?

Mr. CURTIS. That is one of the things, with many others in this record; throwing out insinuations that we were trying to unload, whereas, as a matter of fact, I want to say, and I will take but a minute for this, we were urged by the Government, and time and time again I was told that they were going to take it, and they held us off month after month and embarrassed our hotel, and finally the report was made by Mr. Trainer, and that ended the whole proposition. It was reported that we were trying to gouge the Government of the United States.

Mr. CHESTER. The people of Hot Springs heard that we were asking a million and a half for that property. Why, it was hardly safe to go out. They thought we were holding the Government up, and the Government would not take anything else. All we were interested in was that the Government should come to Hot Springs, or if they took the Eastman Hotel they should not take it on a lease.

Senator HARDWICK. Could you not submit your statement for the record without reading it?

Mr. CURTIS. It is very short, and it will take me only five minutes to get through.

Mr. ADCOCK. How many feet are there in this hotel real estate?

Mr. CHESTER. The dimensions are here.

Mr. ADCOCK. Is it 110,000 square feet?

Mr. CHESTER. I would not say. It is here.

Mr. ADCOCK. Or 120,000 square feet?

Mr. CHESTER. That is in the record here.

Mr. ADCOCK. There is a statement here that the block of land of approximately 300,000 square feet adjoining the Eastman Hotel and opposite the Government hospital, with rail connections, is available for approximately \$100,000. Was that correct?

Mr. CHESTER. I will give you the description.

Mr. ADCOCK. I just want to know whether that block of land of approximately 300,000 square feet adjoining the Eastman and opposite the Government hospital, with rail connection, is available for approximately \$100,000. Do you imagine that is correct?

Mr. CHESTER. I should imagine it could be bought for that.

Mr. ADCOCK. It adjoins this hotel?

Mr. CHESTER. It does, in the rear.

Mr. ADCOCK. And you think that it could be purchased for that?

Mr. CHESTER. Yes; easily.

Mr. ADCOCK. It is a good deal larger tract?

Mr. CHESTER. Yes; and it could easily be purchased for that price, and maybe less.

Mr. ADCOCK. This hotel is 30 years old, is it?

Mr. CHESTER. Yes, sir.

Mr. ADCOCK. You do not know what inquiry Mr. Trainer made?

Mr. CHESTER. None whatever.

Mr. ADCOCK. Outside of the conversation he had with you?

Mr. CHESTER. No, sir; I did not have over 15 minutes' talk with Mr. Trainer, I do not believe.

Mr. ADCOCK. How long was he there?

Mr. CHESTER. He was there one day and left the next—no; he came in late one night, at 10 o'clock at night, and I met him the next afternoon at 1.30, and he left at 5.30.

Senator HARDWICK. All right. Is there anything else, Mr. Adcock?

Mr. ADCOCK. I think there is nothing else with this witness.

(The letters above referred to by Mr. Curtis are here inserted in the record, as follows:)

HOT SPRINGS, ARK., February 4, 1919.

MANN & STERN,  
Architects, Little Rock, Ark.

GENTLEMEN: At your request I have estimated the land value for block 85 now occupied by the Eastman Hotel, and of lots 2 and 3 in block 84, now occupied by the Eastman Bath House. My estimate is for the actual land values exclusive of any improvements or any value by reason of the hotel being located on the land, and is as follows:

Valley Street frontage is 378.8 feet, with a depth of 120 feet for business property, worth \$300 per front foot.....	\$113, 640
This will leave a street frontage on Spring Street extending to the center of the block of 226 feet, which I estimate worth \$100 per front foot.....	22, 600
This leaves 265 feet frontage on Reserve Avenue, which I estimate is worth \$75 per front foot.....	19, 875
Lots 2 and 3, block 84, have a total street frontage of 200 feet on Spring Street, with a depth of 102 feet, estimated as worth \$60 per front foot facing Spring Street.....	12, 000

Making an aggregate total of..... 168, 115

You have requested me to state my experience in real estate values in Hot Springs. I will say that I have been engaged in the real estate business here since 1890 and during this time I have been the agent for a good deal of the most valuable business property in Hot Springs.

Very truly yours,

M. J. HENDERSON.

Mr. Trainor visited Hot Springs in June, 1918.

FEBRUARY 4, 1919.

**The EASTMAN HOTEL,  
Hot Springs, Ark.**

GENTLEMEN: We have the honor to report the results of our survey of the improvements on your grounds, at Hot Springs, Ark., with the view of advising you as to the probable costs of reproducing or duplicating those improvements on similar grounds and location, based on present market prices.

As there were no drawings or specifications available, it was necessary for us to take measurements and data at the buildings, so if there should be slight discrepancies in our estimate they would consist of items we did not discover, and naturally our estimate would thereby be correspondingly more—also on account of the large amount of items in buildings of the character of these, we thought it advisable to lump the items in such a way as to give you the necessary information without having to review a mass of detail matter.

The buildings, particularly the hotel, are in a remarkably good state of preservation and repair, and testify to the fact that an intelligent system of maintenance has been the policy of your management, and we do not hesitate to state that the buildings are equal in appearance and value to what would be expected of buildings of similar design and construction recently completed. If there is any evidence of shrinkage, settlement, or decay in the structures we did not discover it.

The items included in our estimate are intended to include the erection of the material in place with the necessary labor and appurtenances, but do not include any contractors, overhead, or other necessary charges. These are later included in the summary.

**Eastman Hotel:**

Excavation.....	\$9,000
Footings.....	3,240
Brickwork.....	112,000
Concrete floors.....	4,500
Door and window sills.....	2,500
Ironwork.....	7,750
Structural lumber.....	125,000
Roofing.....	12,000
Sheet metal.....	7,000
Plastering and lath.....	69,000
Millwork.....	102,000
Porches.....	8,325
Hardware.....	10,000
Flooring (wood).....	22,820
Marble.....	8,850
Electric wire and fixtures.....	20,000
Plumbing.....	54,400
Heating.....	31,500
Elevators.....	9,000
Other mechanical equipment.....	25,830
Painting.....	45,000

Cost of material and labor..... 699,715

**Eastman Bath House:**

Excavating.....	1,070
Footings.....	396
Brickwork.....	7,175
Concrete floors.....	600
Reinforced concrete.....	4,550
Structural lumber.....	2,565
Roofing.....	1,200
Millwork.....	1,800
Hardware and painting.....	1,310
Plastering.....	700
Cooling tanks.....	6,000
Plumbing fixtures, mechanical equipment, tile, and marble.....	61,775

Cost of labor and material..... 89,141

**Eastman Hotel power house:**

Concrete.....	334
Brickwork.....	4,445
Concrete floors.....	600
Structural lumber.....	810

# MILITARY HOSPITALS.

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## Eastman Hotel power house—Continued.

Roofing.....	\$1,200
Boilers, engines, and other mechanical equipment.....	28,900
Incidentals.....	400
	<hr/>
	36,679

A summary of the above estimates with other charges which would be necessary expenses in the erection of such buildings and which should be added to the actual cost of labor and material would show:

Labor and material for hotel.....	\$699,715
Labor and material for bath house.....	89,141
Labor and material for power house.....	36,679
	<hr/>
	825,535
For contractor's bond, liability, fire insurance, etc., 4½ per cent.....	37,149
	<hr/>
	862,684
A general contractor would add for overhead and profit 10 per cent.....	86,268
	<hr/>
	948,952
For architect, services consisting of drawings, specifications, and supervision, 6 per cent.....	56,937
	<hr/>
Minimum cost, three buildings.....	1,005,889

The cost of replacing the furniture, carpet, rugs, curtains, draperies, bedding, linen, utensils, and silver of similar kind and quality as those now in use, we would estimate to be at the very least \$200,000 in addition to the above.

We have made no estimate of the grounds occupied by these buildings, nor the lesser improvements, such as fences, landscape work, etc., and to estimate the present replacement value of the entire property these items should be added to the total of \$1,205,889, which represents the buildings and furniture.

Trusting that the above fully answers your requirements, we beg to remain,

Yours, very truly,

MANN & STERN, *Architects.*  
By EUGENE J. STERN.

\$1,205,889 building and contents.

168,115 real estate estimate of M. J. Henderson attached.

1,374,004

LITTLE ROCK, ARK., February 4, 1919.

Mr. W. E. CHESTER,  
*Manager Eastman Hotel, Hot Springs, Ark.*

DEAR SIR: Agreeable to your request, we examined the Eastman Hotel property at Hot Springs, Ark., consisting of three buildings, namely, the hotel, bath house, and power house, with the view of determining how much it would cost to duplicate these buildings at the present time.

It is our opinion that no responsible contractor would replace these buildings, complete as they stand, for less than \$940,000 at this time, exclusive of grounds, furniture, and architect fees. We estimate the minimum cost of:

The hotel.....	\$800,000
Bath house.....	100,000
Power house.....	40,000
	<hr/>
Total.....	940,000

We would like to compliment you on the fine condition of these buildings; they show that they have received most intelligent care and attention and give evidence of no deterioration or neglect.

Yours, very truly,

THALMAN & REED.  
By JOHN H. THALMAN.

\$940,000 hotel and bath building only.

200,000 furnishings, Mann & Stern, attached.

168,115 value of real estate estimate, M. J. Henderson, attached.

1,308,115

UNION TRUST CO.,  
Little Rock, Ark., February 3, 1919.

NEW YORK HOTEL CO.,

Attention Mr. Abner Gaines, president, New York, N. Y.

DEAR MR. GAINES: Mr. George R. Mann, of the firm of Mann & Stern, architects, has asked me to write you of the standing, ability, and character of Messrs. Thalman & Reed, contractors, of this city.

We have had considerable building experience with this firm and find that their reputation in the community is justified to the effect that they are reliable builders of the best grade of work and are considered men of high character.

We have always found that their estimates were full and reliable, and we would be inclined to consider as accurate any estimate of general building construction that they would make.

Yours, very truly,

MOORHEAD WRIGHT, *President.*

Senator HARDWICK. Now, Mr. Curtis, please make your statement as short as possible.

### TESTIMONY OF MR. WILLIAM T. S. CURTIS.

(The witness was sworn by the chairman.)

Senator HARDWICK. Will you state your name and your business to the stenographer?

Mr. CURTIS. William T. S. Curtis. I am a lawyer by profession. My office is in the Wilkins Building, Washington, D. C. My residence is at Chevy Chase, Md.

If the committee please, I have been the general counsel of the Eastman and the Arlington Hotels, and the other bath houses in Hot Springs for many years. Mr. Gaines lives in New York, and some of his associate stockholders.

Last winter, Mr. Gaines walked into my office in the Wilkins Building and handed me this telegram, which I wish to read:

WASHINGTON, D. C., January 22.

A. B. GAINES,

*Jefferson Hotel, St. Louis, Mo.*

Re: lease or purchase of Eastman Hotel, Hot Springs, Ark.—could you see me in Washington in next three or four days' period? Wire reply attention Maj. King.  
GORGAS, *Surgeon General.*

Mr. Gaines and I immediately went to the War Department. That was the first time I ever heard that the Government wanted anything to do with the Eastman Hotel. Mr. Gaines told me he had had some communication growing out of the movement inaugurated by Col. Gandy, the commanding officer of the Army and Navy Hospital at Hot Springs.

We saw Maj. King, and he said "I have all the papers here," and seemed very much interested in it, and said they desired to take it by lease or purchase. We said we could not consider leasing it, because it would ruin the property as a hotel. He said then he would take it up with the Secretary of War and see what could be done. Then Maj. King, after that, wrote me this letter. He is now a colonel. (Reading:)

WAR DEPARTMENT,  
OFFICE OF THE SURGEON GENERAL,  
Washington, January 26, 1918:

Mr. WM. T. S. CURTIS.

*Attorney at Law, Wilkins Building, Washington, D. C.*

MY DEAR MR. CURTIS: Referring to the conversation which I had with you and Mr. Gaines a few days ago, I am directed by the Surgeon General to ask if it is not possible for you to submit to him at as early a date as convenient an offer to lease or sell to the

Government the property about which we were talking. It is suggested that this include a full description of the land, buildings thereon, an inventory of the present equipment, and any other necessary information to enable the matter to have immediate attention.

Yours, very truly,

EDWARD KING, *Major, Medical Corps.*

Then I wired Mr. Chester to send me that data. Then that information, all this schedule, and this other matter which is filed by Mr. Chester, was sent to me in accordance therewith, and here is the letter that I wrote to the Surgeon General, together with a statement, stating that Mr. Chester had submitted the terms of sale, and we wished to submit the matter, if they determined to take it on that ground. Then the matter rested. Mr. Gaines told me always, he said:

Curtis, this is a question I feel that the Government is interested in. Hot Springs has been established for years. The Army and Navy Hospital years ago was established here by action of Congress. It is a wonderful institution for the sailors and soldiers; and now that the war is on and they are coming back suffering from rheumatism and other diseases, it is only fair that they should have a hospital here; and as the Government has come to us and urged us to let them have the Eastman Hotel, I feel that we ought to do it, but let them say whether they want it, and they ought to tell us soon, because if they do not, we will be in this embarrassing position; that the next season is coming on, and unless we know whether they are going to take it, we can not fill our contracts and get ready for the next winter's business.

Then I finally wrote this letter to the department, addressed to the attention of Gen. Noble, and there are only three letters here which I wish to read, and they are short, and that will finish my testimony.

Senator HARDWICK. Very well.

Mr. CURTIS. This letter is dated July 30, 1918, and reads as follows:

JULY 30, 1918.

(Attention of Gen. Noble.)

SURGEON GENERAL, UNITED STATES ARMY,  
*Washington, D. C.*

SIR: You will recall that last winter my clients, the owners of the Eastman Hotel, Hot Springs, Ark., were notified by the department through Gen. Gorgas that the Government had under consideration the acquisition of said hotel property for hospital purposes, and Mr. Gaines, the president of the company, at that time came to Washington from St. Louis in response to a telegram from Gen. Gorgas, and after full conference with Col. King, to whom he had been referred, stated that the company would agree to a sale of the property to the Government, as had been officially requested. My clients were desirous of doing all in their power to further the efforts of the Government to increase the facilities at the Army and Navy Hospital, and by thus agreeing to turn over the hotel property they realized that they would afford the benefits of the healing waters of Hot Springs to our returning soldiers and sailors. The company likewise promptly furnished complete data as to the extent of the property, furnishings, equipment, and the character of its construction.

Thus matters stood until it became necessary for my clients to be advised definitely whether or not the Government was to purchase the property, because if not to be taken, then immediate steps were necessary to be taken to obtain service, help, and close contracts for needed supplies for the coming season. The delay in not advising my clients as to the decision of the department has caused considerable inconvenience and attendant loss, all of which I am sure will be appreciated.

It is unnecessary for me to again invite your attention to the fact that my clients did not approach the officials of the Government and offer this property for sale; however, they appreciate that the Nation's needs in this time of war require just such property for the housing and medical treatment of our Nation's defenders, and they now stand ready to deliver possession of the same if so requested by the Government.

In passing, permit me to state that in every step in this matter from the time my clients were first advised of the Government's desire to acquire the property, there has



been no disposition on our part to profiteer, so-called, on the Government's needs, and any suggestion that such idea was in their mind is absolutely groundless.

Upon the question of its adaptability to the Government's use for hospital purposes I deem it is needless for me to discuss. Its proximity to the existing Army and Navy Hospital and the Government springs of healing waters make it an ideal location for that purpose.

A question, I understand, has been raised as to the character of its construction, and whether or not, in its present form, it meets with all the requirements called for in governmental hospital buildings and properties.

Inclosed herewith will be found a report submitted by Messrs. Mann and Stern, architects, of Little Rock, Ark., addressed to my clients. Messrs. Mann and Stern are the architects of the Government in the work looking to the construction of the extensive improvements at Hot Springs, lately approved by the Government and provided for in congressional appropriations.

I beg to submit this report of these architects for your information and guidance, and suggest that a careful examination will convince you that all needed or suggested changes can be made that may be necessary to place the property in such a condition as would answer all objections or criticism to its use as a hospital.

In considering this report of the architects should you conclude that it can be made suitable for your purposes and you want the same, we would suggest that you take it over and have the same appraised, in accordance with the regulations and existing law. The owners feel that they do not wish to be placed in a position of bargaining with the Government on a question of price during the time of the Nation's needs.

Should your final decision, however, be adverse to the taking of this particular property, my clients sincerely entertain the hope and are very solicitous that the Government will then acquire other ground at Hot Springs and construct a hospital, such as will meet in every way the requirements of your office and the needs and demands of the public.

Trusting that I may receive an early reply and that this will meet with your favorable consideration. I am,

Very respectfully,

W. T. S. CURTIS, *Attorney.*

That letter was dated July 30. Here is a report made by Mann and Stern, showing that it could be made absolutely safe for hospital purposes and that was submitted to Gen. Noble, and Mr. Mann told me he said, "That satisfies me that it could be made safe for hospital purposes." I will submit this for the record.

The letter referred to is as follows:

WASHINGTON, D. C., *July 30, 1918.*

MR. A. B. GAINES,

*President the New York Hotel Co., Hot Springs, Ark.*

DEAR SIR: In accordance with your request, we have examined the Eastman Hotel at Hot Spring, Ark., with the view of reporting as to the practicability and feasibility of its use as a Government hospital, from the standpoint of safety for the occupants from fire, and to meet the spirit of the ruling of the Secretary of War that nonfireproof buildings over one story high shall not be used for Government hospitals.

In order to give accurate data in connection with our report we have tried to get possession of the plans of the building filed by you with the War Department, and have made a trip to Washington for that purpose. After careful inquiry, however, we have not been able to locate these plans, and we will have to make part of our report on an approximate basis, and are attaching hereto a leaf from the Eastman Hotel booklet, showing a typical floor plan of the building, on which we indicate our suggestions in general.

To make the building "fireproof," as the term is generally used, is neither practical nor feasible, but by making the following changes and additions the building can be made absolutely safe for the occupants, and in all respects equal to "fireproof," so far as the fire hazard to occupants or property is concerned.

No. 1. Separate the building into five compartments, divided by standard brick fire walls, with N. B. F. U. standard openings between these areas.

No. 2. Provide six absolutely fireproof stair, or stair and elevator towers so located that each of the five areas has exits into two different stair towers. The openings from the stair towers to the building to be equipped with standard self-closing fireproof doors.

No. 3. That all wells, shafts, and other openings between floors be closed, except those provided inside the stair towers.

No. 4. That all projections above the roof, in the form of ornamental towers, etc., be removed, and that portion of the fourth story exterior wall, now built of wood with metal covering, be replaced with a brick wall.

No. 5. That the entire building be provided standard automatic sprinkler equipment. This should have a two-source supply—one from the city water supply and the other from the storage tank of the United States General Hospital, opposite the hotel.

From the meager data on hand, we would approximate the cost of the above changes and additions at \$125,000, and state that the work recommended in this report can be made without unduly disturbing other part of the structure.

Further means of safety, while not necessary, will be secured if the contemplated bridges or arcades should be constructed between the hotel and the hospital opposite Reserve Avenue.

In making these recommendations we are stating our beliefs formed from data issued by the N. B. F. U. and N. F. P. A.

Respectfully submitted,

GEORGE R. MANN,  
EUGENE R. STERN,  
*Architects.*

Then, on top of that, comes along this letter from Lieut. Col. John A. Hornsby. [Reading:]

WAR DEPARTMENT,  
OFFICE OF THE SURGEON GENERAL,  
*Washington, August 5, 1918.*

MR. WILLIAM T. S. CURTIS,  
*Wilkins Building, Washington, D. C.*

DEAR SIR: The Surgeon General directs me to reply to your letter of July 30, directed for the attention of Gen. Noble, on the proposed purchase by the Government of the Eastman Hotel, at Hot Springs, Ark.

Very careful investigation has been made into the merits of this property for hospital purposes and the Chief of Staff of the Army has disapproved the request for its purchase. It is believed that the price is too high and that it would cost too much to make it safe for patients, on account of the fire hazard, and to make the necessary alterations and repairs for its occupancy as a hospital.

Very truly, yours,

JOHN A. HORNSBY,  
*Lieutenant Colonel, Medical Corps, National Army.*

I never met this gentleman, and never saw him, but that letter was so contrary to the facts that I wrote him a letter, which by the way I might say I have never received a reply to, which is as follows:

AUGUST 9, 1918.

(Attention Lieut. Col. John A. Hornsby.)

SURGEON GENERAL, UNITED STATES ARMY,  
*Washington, D. C.*

DEAR SIR: I have yours of the 5th instant in re Eastman Hotel, Hot Springs, Ark., and note that your request to purchase the property has been disallowed by the Chief of Staff of the Army. This action, I assume, closes the negotiations for this property which were begun by the Government, and my clients are now at liberty to go ahead and prepare for next season's business.

In your letter you say:

"It is believed that the price is too high and that it would cost too much to make it safe for patients on account of the fire hazard, and to make the necessary alterations and repairs for its occupancy as a hospital."

The only question we considered vital in the present negotiations was whether or not the property could be so changed and utilized as to make it available as an adjunct to the Army and Navy Hospital. The matter of the price to be paid for the property, we understood, would be determined by the Government board of appraisers, and finally on appeal to the courts, should the owners be dissatisfied with the allowance made. The machinery for determining the actual value being provided for by existing statutes and regulations. This being so, I am at a loss to understand why at

this stage of the matter the question of price should be referred to, in any way, as a basis for the rejection of your request.

From the inception of the negotiations by the Government, my clients have been anxious to impress upon the department officials that they had no desire to profiteer or quibble over the price if the Government really wanted the property, and again, in my letter of July 30, I made myself clear wherein I say:

"In considering this report of the architects (Mann and Stern) should you conclude that it can be made suitable for your purposes and you want the same, we would suggest that you take it over and have the same appraised in accordance with the regulations and existing law. The owners feel that they do not wish to be placed in a position of bargaining with the Government on a question of price during the time of the Nation's needs."

In view of the foregoing it will be seen that the question of price was not and could not be a condition precedent to the taking of the property if the Government wanted it, for the price would be fixed and determined by the Government's own board of appraisers and courts, consequently your letter in that respect is misleading.

I make this statement so that there may be no misunderstanding as to the position of my clients, and we desire the public to know that from the beginning of the negotiations it has been the earnest desire of my clients to aid the Government in every way to obtain additional hospital facilities at Hot Springs.

As you have decided not to take our property, may I again repeat as strongly as possible the last paragraph of my letter of July 30, wherein I say:

"Should your final decision, however, be adverse to the taking of this particular property, my clients sincerely entertain the hope and are very solicitous that the Government will then acquire other ground at Hot Springs and construct a hospital such as will meet in every way the requirements of your office and the needs and demands of the public."

Very truly, yours,

WM. T. S. CURTIS,

*Attorney for New York Hotel Co. (Eastman Hotel).*

I never heard again from that letter.

After that I went to the Mills Building with Mr. Gaines, who came here not knowing what was going to be done. We took it for granted that that was ended. By the way, I am not sure whether it was before that or after that letter we went to the Mills Building in this city, and I was introduced to Maj. Holden, and also to a Mr. Trainer, whom I had never seen before, and a Mr. Hodge, whom I had never seen before, and we had a talk with them, and Mr. Gaines impressed upon them the very sentiments I have expressed here. We wanted to help the Government, and if they wanted to take the hotel, to take it.

Mr. Trainer said he had just been down there and made a report, and I gathered from what they said that it was not a favorable report and that it had passed beyond them and had gone up to the Secretary of War.

There the matter has rested and ended. I do not think I read this just now. Did I read this about what Maj. Holden said in answer to your query?

Senator HARDWICK. Yes.

Mr. CURTIS. All those things taken together, we feel as though it is only fair to state that, as Mr. Chester has so clearly shown, this property is to our clients, instead of being a losing proposition, a paying one; it has been a successful one, and with the exception of three or four years it has paid a dividend to the stockholders, who are not anxious to unload it on the Government. We do not want to unload it on the Government, and if the Government wanted it we know that under the law they could take it, and therefore we said, rather than be considered profiteers—everybody said we had been asking a million and a half for it. We invited the Government to take it at the face of our stock, and we said, "You fix your own price

and by your own board," and then along comes this military gentleman, Lieut. Hornsby, and says the price is too high. The price did not cut any figure at all, because the Government could have fixed it themselves.

Now, we are running a hotel. That hotel is open. It has never been closed. It is open three and a half months every year. Yet we have made a profit every year except three or four. All the other years we did make a profit. We did not pay dividends those years because we turned it into the improvement of this hotel property. If you ever saw the Eastman Hotel, it is the most magnificent site in Hot Springs, right across the street from the Army and Navy Hospital; as has been said, as if God Almighty had put that hotel on that site so that it could be used for the Army and Navy Hospital; and when I was there a month and a half ago the Army and Navy Hospital was jammed to the doors with those poor wounded and sick boys, and Mr. Gaines said, "Here we are connected up with these wonderful healing waters, the Hot Springs, on the Government's own land, and it is being advertised all over the country as Government springs, and yet they pass it by and pay no attention to it; and what we want is not to sell the hotel but to see that some of these millions being appropriated are used to build a hospital in Hot Springs and help these wounded and sick boys who are coming across," and that is the situation. Mr. Gaines is here, and I do not think he could say any more than we have done, but I want you to have the record clear, that we are not thinking of the money; Mr. Gaines is so situated in life, and the stockholders here, that they are not mendicants seeking to unload an old, broken-down, rattle-trap place, a fire trap, on the Government.

Mr. ADCOCK. How long have you owned it?

Mr. CURTIS. Mr. Gaines can tell you about that.

Mr. GAINES. Ever since it was built. We organized the company and built it and paid in \$600,000 cash capital 30 years ago.

Senator HARDWICK. Mr. Curtis, have you given to the reporter all of the memoranda that you want to go in the record?

Mr. CURTIS. I think so.

Mr. BENNET. I do not want to but in, but this gentleman told me one thing in conversation that I think ought to go into the record. There is one thing that rather harmonizes with their statement, and that is the fact that every stockholder in that hotel has a son in the service. Mr. Gaines's son has been an aviator and Mr. Curtis has a son in the service, and others.

Senator HARDWICK. What you all want is to resent the imputation that you are profiteers?

Mr. CURTIS. Yes, that is all there is to it; to have a man come down there and make an examination of just about an hour, going through and looking into a room here and a room there, and then go back to Washington and make a report so diametrically opposed to the facts in the case; and as the Army engineers, Col. Gandy and others, make it, necessarily there is a report on it.

Senator HARDWICK. You claim that the Trainer report is unjust and unfair?

Mr. CURTIS. Most assuredly.

Senator FRANCE. Have you seen the official report?

Mr. CURTIS. No; I have not seen it.

Senator FRANCE. It was here before you.

Mr. CURTIS. That was supplemental. I have been talking with Mr. Bennet, and he says it is in the record here.

Mr. ADCOCK. I think Mr. Trainer should tell just exactly what he did down there.

Senator HARDWICK. He can do that later.

Mr. ADCOCK. I should think he might do it now.

Senator HARDWICK. Are you through, now, Mr. Curtis?

Mr. CURTIS. Mr. Chester failed to make this statement, that in Hot Springs and in Arkansas, as in different States away from Washington here, where property is only assessed at sometimes one-fourth or one-third of its value, the assessment is much higher. Mr. Trainer himself said this property was assessed at \$110,000, and we say it was assessed at \$165,000, and we asked for the entire property \$645,000, while the engineers and these different architects and practical builders have said it was worth about \$1,300,000, so that we do not feel as though our offer was a profiteering proposition, to gouge the Government.

Senator HARDWICK. Do you want Mr. Trainer to be examined?

Mr. ADCOCK. It has been said that he went down there and spent an hour only. I think his statement will demonstrate that he made a very thorough examination.

Senator HARDWICK. Very well, let him be examined.

(The papers submitted by Mr. Curtis are here printed in full, as follows:)

#### EASTMAN HOTEL, HOT SPRINGS, ARK.

##### DESCRIPTION AND AREA OF LAND.

All of block 85, consisting of 385 feet frontage on Reserve Avenue, 268 feet frontage on Cottage Street, 440 feet frontage on Spring Street, and 370 feet 8 inches frontage on Valley Street.

All of lots 2 and 3, block 84 (each lot 100 by 102 feet).

The hotel, bath house, and engine room are all brick construction.

##### EQUIPMENT.

Hotel consists of 500 rooms, averaging 27 feet in length and 11 feet in width; 40 guest rooms equipped with hot and cold running water; 60 employees' rooms without hot and cold running water; 51 rooms have Hot Springs mineral water baths and toilets in connection; 40 rooms have private toilets in connection. We have full equipment and furnishings for above-mentioned 500 rooms; 54 public toilets located on the different floors 90 per cent of all plumbing being new and in excellent condition; 2 hydraulic elevators.

Full kitchen and dining-room equipment, consisting of ice boxes, ranges, bake ovens, cooking utensils, chinaware, silver, etc.; also cold-storage plant.

Full laundry equipment consisting of mangles, washers, dryers, etc.

Bathhouse newly equipped under supervision of Interior Department.

Engine room equipped with one 312-horsepower boiler (new), and two 100-horsepower boilers (old) pumps, etc. Electric light machines for double our capacity.

##### IMPROVEMENTS MADE DURING THE PAST FEW YEARS.

Hot and cold running water installed in all guest rooms; 50 new baths and toilets installed in rooms; 40 new public toilets installed with modern plumbing.

Local and long distance telephones installed in all guest rooms.

New kitchen and dining room added.

One new 312-horsepower boiler installed.

Bathhouse remodeled and new equipment where needed as per instructions of Interior Department.

Halls and public rooms newly decorated.

New carpets and new furniture installed in 1917 where needed.

EASTMAN HOTEL.

Inclosed with this is a map of the city of Hot Springs, showing the location of the Eastman Hotel marked with red ink; also photograph of the hotel as it stands to-day. (Not printed.)

*Eastman Hotel inventory.*

5 folding beds.	77 rockers.	PORCH.
453 double beds.	61 chairs.	
259 single beds.	1 awning.	
506 dressers.	5 mats.	
114 chiffoniers.	PRIVATE OFFICE.	
31 dressing tables.	2 roll-top desks.	
15 benches.	4 chairs.	
540 tables.	2 rockers.	
54 desks.	1 costumer.	
584 rockers.	1 dresser.	
1,105 chairs.	1 carpet.	
206 couches.	1 table.	
767 mattresses.	2 wastebaskets.	
52 mirrors.	AUDITOR'S OFFICE.	
59 pictures.	1 Hall's desk.	
117 costumers.	1 standing desk.	
363 wastebaskets.	1 high stool.	
125 hampers.	1 carpet.	
117 trays.	1 safe.	
403 pitchers.	BAGGAGE ROOM.	
1,062 glasses.	1 scale.	
489 carpets.	1 large ice box.	
168 rugs.	PORTER'S ROOM.	
423 sanitary glass shelves.	2 chairs.	
530 crockery.	1 stool.	
480 cuspidors.	1 wall desk.	
51 bathroom fittings.	1 folder rack.	
4 fancy electric lamps.	LAVATORY.	
9 screens.	2 mirrors.	
1 sewing machine.	2 chairs.	
4 book racks.	1 table.	
20 75-foot length cotton hose and nozzle.	7 cuspidors.	
5 wheel chairs.	1 paper towel cabinet.	
2 settees.	2 sanitary shelves.	
4 hose reel and hose.	1 waste-paper basket.	
2 linen room truck carts.	LADIES' PARLOR.	
157 commodes.	1 grand piano.	
39 fire extinguishers.	1 piano bench.	
BELL STATION.	3-mirrors.	
4 ice boxes.	5 settees.	
4 trash cans.	1 vis-a-vis.	
LOBBY.	3 pedestals.	
21 leather chairs.	1 cabinet.	
105 willow rockers.	1 electric lamp.	
52 willow chairs.	3 pictures.	
5 chairs.	8 fancy pillows.	
10 Turkish rugs.	1 card table.	
10 brass match and ash stands.	15 chairs.	
2 counters, telegraph.	1 table.	
1 typewriter desk.	1 andiron set.	
1 cigar case and counter.	Carpet.	
1 front office safe.	BALL ROOM.	
1 high desk.	184 chairs.	
1 scale.	7 settees.	
1 water cooler and table.	3 large mirrors.	
2 bellman's benches.		
12 brass cuspidors.		
1 clock.		
2 phone booths.		

## BALL ROOM—continued.

1 small mirror.  
1 andiron set.  
Runners.

## SUN PARLOR.

11 rockers.  
11 chairs.  
5 tables.  
1 desk.  
1 waste basket.  
6 rugs.

## WRITING ROOM.

2 long writing tables.  
4 desks.  
4 settees.  
5 leather chairs.  
26 chairs.  
1 carpet.  
6 waste baskets.  
6 cuspidors.  
4 desk lamps.  
1 phone booth.  
1 rug.

## TURKISH ROOM.

2 davenport.  
2 settees.  
1 table.  
2 taborets.  
12 rockers.  
15 chairs.  
5 pedestals.  
1 writing desk.  
12 pictures.  
9 sofa pillows.  
1 wastebasket.  
1 carpet.

## BILLIARD HALL.

4 pool tables.  
2 billiard tables.  
1 rocker.  
52 cues.  
6 cue racks.  
5 pool-ball sets.  
32 chairs.  
7 cuspidors.  
2 billiard balls.  
1 ivory ball.  
8 cue balls.  
1 table brush.  
1 set back bar fixture.  
1 set indoor golf.  
3 sets ball racks.  
6 table covers.  
1 clock.

## BATH HOUSE.

31 cots.  
143 chairs.  
30 stools.  
8 costumers.  
2 screens.  
5 tables.  
32 thermometer tubes.  
4 large clocks.  
20 small clocks.  
3 water coolers.

## BATH HOUSE—continued.

3 scales.  
24 cuspidors.  
10 door checks.  
1 wastebasket.  
1 mirror.  
10 douche pans.  
1 office desk.  
1 office chair.  
1 metal lock box cabinet.  
1 stair carpet.

Electric fixtures with bulbs in ball room  
hallways, and all public places.

## LINEN ROOM.

826 table cloths.  
221 table tops.  
2,687 napkins.  
120 tray cloths.  
1,047 spreads.  
3,387 sheets.  
1,033 bathhouse sheets.  
2,115 pillow slips.  
4,773 towels, face.  
150 bathhouse vapor towels.  
300 bath towels.  
594 lavatory towels.  
616 kitchen towels.  
1,610 glass towels.  
50 tray mops.  
711 side towels.  
64 roller towels.  
29 bar aprons.  
143 maid's caps.  
62 maid's aprons.  
44 hallmen's coats.  
832 dresser scarfs.  
68 dressing table covers.  
123 grill stand covers.  
48 grill square covers.  
122 stand covers.  
2 boxes pincushion tops.  
268 table pads.  
1 box candle holders.  
1 box pink shades.  
2 candlesticks.  
2 candelabra.  
1 box gold and silver shades.  
1 box candlesticks.  
1 silver water cooler and cups.  
40 flower vases.  
1 box broken candle holders.  
1 box Fordyce coat hangers.  
1 box score cards.  
1 box club ships, private.  
1 bar globe.  
2 jardiniere.  
1 small ironing board.  
1 crutch.  
1 box ironing board.  
1,682 blankets.  
21 bed comforts.  
100 mattress protectors.  
570 pairs lace curtains.  
523 center table covers.  
144 couch covers.

## LINEN ROOM—continued.

40 new canvas bath curtains.  
 60 old canvas bath curtains.  
 5 massage bath curtains.  
 88 pairs scrim drapes.  
 16 pairs new drapes.  
 15 pairs muslin drapes.  
 4 chenile O green silk drapes.  
 16 old plush parlor drapes.  
 20 creton parlor drapes.  
 68 bath mats.  
 258 pincushions.  
 100 wastebaskets.  
 34 clothes baskets.  
 7 square hand-made baskets.  
 10 willow flower baskets.  
 4 rolls of bunting.  
 500 small flags.  
 32 new large flags.  
 10 boxes artificial flowers.  
 12 boxes new artificial flowers.  
 12 of electric light paper shades.  
 12 boxes crepe paper for decorating.  
 217 Japanese lanterns.  
 15 Japanese umbrellas.  
 Statue of horse and jockey.  
 Lincoln and Washington pictures.  
 172 slop jars.  
 422 washbowls.  
 240 slop-jar mats.  
 354 water pitchers.  
 4 china bedpans.  
 10 tin foot tubs.  
 28 tin water pails.  
 20 carpet sweepers.  
 36 brooms.  
 18 feather dusters.  
 18 dustpans.  
 28 cotton mops.  
 11 folding screens.  
 6 framed mirrors for bathroom.  
 3 electric reading lamps.

## MAIN KITCHEN.

1 ice bowl locker.  
 2 tables and shelves.  
 1 ice crusher.  
 1 cube cutter.  
 1 grindstone.  
 1 coffee mill.  
 1 bread crumber.  
 1 ice shaver.  
 1 steam engine.  
 1 exhaust fan.  
 2 trunks.  
 1 steam table.  
 9 serving tables.  
 2 cook's tables.  
 5 dining-room tables.  
 6 dish heaters.  
 1 dishwasher and motor.  
 1 egg boiler and motor.  
 1 cash register.  
 1 checkers table.  
 2 checkers chairs.  
 3 coffee urns.

## MAIN KITCHEN—continued.

1 hot-water urn.  
 1 coffee-pot heater.  
 2 silver tables.  
 1 silver closet.  
 1 desk.  
 2 high desks.  
 1 ice box.  
 1 combination broiler.  
 2 charcoal broilers.  
 1 range, five sections.  
 2 kitchen work tables.  
 4 stock boilers.  
 1 vegetable steamer.  
 1 roll heater.  
 1 mortar and pestle.  
 2 ice-cream tubs.  
 1 knife-polishing machine.  
 1 bread slicer.  
 100 waiter's trays.  
 1 salt, pepper, and vinegar locker.  
 1 check box.  
 1 clock.  
 1 oyster cannister.  
 2 bain maree.

## GRILL KITCHEN.

1 checking desk.  
 1 check box.  
 1 dining-room chair.  
 1 writing desk.  
 1 camp chair.  
 1 ice box.  
 1 table.  
 1 exhaust fan.  
 1 meat block.  
 1 small gas broiler.  
 1 large gas broiler.  
 1 gas range.  
 1 combination steam table.  
 3 working tables.  
 1 vegetable steamer.  
 1 egg boiler and motor.  
 1 stock boiler.  
 1 long serving table.  
 1 coffee urn.  
 1 hot-water urn.  
 1 cup heater.  
 4 garbage cans.  
 2 working tables.  
 2 waste baskets.  
 2 dining-room tables.  
 1 glass rack.  
 1 dish heater.  
 1 dish washer and motor.  
 1 dish table.  
 1 cake griddle.  
 1 waffle iron.  
 1 ice-cream box.  
 2 stools.  
 50 glass relish.  
 35 celery dishes.  
 16 orange-juice glasses.  
 19 egg liners.  
 19 bean pots.  
 23 egg stands.



## GRILL KITCHEN—continued.

35 coffee pots, No. 1.  
 18 hot-water pots.  
 16 tea pots.  
 23 combination plates.  
 12 ice-cream stands.  
 8 sirup stands.  
 70 oyster plates.  
 38 cocktail stands.  
 11 parfait glasses.  
 31 salad bowls.  
 106 breakfast plates.  
 94 dinner plates.  
 46 platters, No. 1.  
 56 platters, No. 2.  
 18 platters, No. 3.  
 24 soup tureens, No. 1.  
 12 egg holders.  
 34 platter covers.  
 18 cake covers.  
 72 romikins china.  
 76 bread trays.  
 1 dozen stone jars.  
 2 dozen butter bowls.  
 4 whips.  
 66 demi cups.  
 75 demi saucers.  
 30 serving trays.  
 98 cream pitchers.  
 94 bakers.  
 45 oatmeal dishes.  
 14 large platters.  
 15 planks, large.  
 40 planks, small.  
 2 8-gallon pots.  
 5 6-gallon pots.  
 3 4-gallon pots.  
 4 4-gallon sauté pots.  
 2 3-gallon sauté pots.  
 77 casseroles.  
 19 "Cloche" glasses.  
 34 bouillon cups.  
 151 butter plates.  
 50 butter plates.  
 198 bread plates.  
 94 coffee cups.  
 66 coffee saucers.  
 56 rarebit dishes.  
 34 relish dishes.  
 2 small coffee pots.  
 3 1-gallon pots.  
 24 small boiling pans.  
 2 grease pots.  
 3 fry dippers.  
 6 large fry pans.  
 12 small fry pans.  
 6 hand broilers.  
 4 china cups.  
 2 dozen spoons.  
 3 dozen dippers.

## HELP'S KITCHEN AND HELP'S HALL.

1 range, two sections.  
 1 vegetable steamer.  
 2 coffee urns.  
 1 hot-water urn.  
 1 steam table.

## HELP'S KITCHEN AND HELP'S HALL—continued.

1 serving table.  
 1 dining-room table.  
 6 long tables.  
 10 benches.  
 2 screens.  
 1 potato masher.  
 1 potato cutter.  
 2 dozen 2-gallon jars.  
 2 10-gallon stock pots.  
 10 garbage tins.  
 1 puree machine.

## BAKE SHOP.

1 gas toaster.  
 2 griddle irons.  
 2 waffle irons.  
 1 ice-cream box.  
 1 ice box.  
 4 working tables.  
 1 bread locker.  
 1 coal stove.  
 1 gas stove.  
 1 mortar and pestle.  
 1 pan rack.  
 1 dough trough.  
 1 dough steamer.  
 1 pair scales.  
 1 baker's work table.  
 1 roll cutter.  
 6 chairs.  
 2 wooden bowls.  
 12 bread boxes.  
 36 bread pans.  
 24 sheets.  
 3 copper bowls.  
 6 assorted dish pans.  
 12 cake pans.  
 36 pudding molds.  
 36 pie tins.  
 7 peels.  
 12 cake tins.  
 12 plum pudding molds.  
 1 steam kettle.  
 2 china cups.  
 8 whips.  
 1 cake locker.  
 1 bread slicer.  
 10 ice-cream containers.

## PASTRY.

1 large ice box.  
 1 sanitary ice box.  
 2 serving tables.  
 1 ice tub.  
 2 dish pans.  
 3 dish lockers.  
 2 milk and cream coolers.  
 2 chairs.

## ORDINARY OR SECOND OFFICER'S MESS.

1 chopping machine.  
 20 dining-room tables.  
 9 tray stands.  
 40 chairs.

ORDINARY OR SECOND OFFICER'S HALL—  
continued.

3 box tea pots.  
18 barrels water glasses.  
1 barrel finger bowls.  
1 barrel punch glasses.  
1 round table top.

## SIDEWALK OF KITCHEN.

3 built-in ice boxes.  
1 butcher block.  
1 fish box.

## MAIN DINING ROOM.

1 silver chest.  
47 8-chair tables.  
41 4-chair tables.  
30 2-chair tables.  
3 sideboards.  
17 orchestra chairs.  
30 hassocks.  
1 clock.  
400 chairs.  
9 high chairs.  
25 side stands.  
100 tray stands.  
110 water bottles.  
4 linen baskets.  
2 dish carriers.  
1 cashier's desk and chair.  
27 pairs lace curtains.  
538 plain silver forks.  
595 grill silver forks.  
370 plain silver knives.  
502 grill silver knives.  
449 grill steel knives.  
587 teaspoons.  
415 after-dinner spoons.  
710 oyster forks.  
342 bouillon spoons.  
156 sugar tongs.  
414 large spoons.  
1 runner.

## LATE BREAKFAST ROOM.

4 pair curtains.  
6 pair portières.  
9 dining-room tables.  
9 water bottles.  
26 chairs.  
6 tray stands.  
9 oil cruets.  
9 vinegar cruets.  
9 salt.  
9 pepper.  
26 water glasses.  
9 tablecloths.  
26 napkins.  
9 sugar bowls.

## CAFÉ.

24 grill tables.  
61 grill chairs.  
3 buffets.

## CAFÉ—continued.

23 tray stands.  
24 annex tables.  
78 annex chairs.  
2 buffets.  
51 water bottles.  
97 sets salt and pepper.  
179 water glasses.  
23 cruets.  
17 mustard and horseradish stands.  
7 mustard and horseradish stands, white.  
12 ice bowls.  
29 soup ladles.  
2 champagne coolers.  
2 percolators.  
13 nut cracks.  
2 chafing dishes.  
47 match stands.  
15 granulated-sugar bowls.  
24 loaf-sugar bowls.  
31 finger bowls.  
2 soup tureens.  
1 frappe twirler.  
8 crumb trays and scrapers.  
25 service trays.  
2 cash trays.  
342 small spoons.  
140 consomme spoons.  
130 soup spoons.  
90 service spoons.  
41 small table tops.  
93 tablecloths.  
40 stand covers.  
4 side towels.  
215 napkins.  
17 sugar tongs.  
175 steel knives.  
153 silver knives.  
122 after-dinner spoons.  
117 oyster forks.  
148 forks.  
34 steins.  
35 pictures and motto.  
8 pairs lace curtains.  
10 pairs drapes.  
9 wide curtains.  
15 pairs drapes.  
1 runner.  
1 carpet.

## REFRESHMENT DEPARTMENT.

1 cash register.  
1 Bur ice box.  
2 Bur ice chests.  
1 work board.  
1 wash and drain board.  
1 corn puller.  
25 bottle holders.  
1 dustpan.  
1 broom.  
150 lemonade glasses.  
40 champagne glasses.  
60 split beer glasses.  
25 cocktail glasses.  
45 Collins glasses.  
50 fizz glasses.

## REFRESHMENT DEPARTMENT—continued.

3 old-fashioned glasses.  
23 whisky glasses.  
4 shakers.  
3 lemonade knives.  
2 ice scoops.  
1 wire cutter.  
1 sirup pitcher.  
10 bar spoons.  
1 sugar bowl.  
3 ice tubs.  
6 wine buckets.

## STOREROOM.

1 flat desk.  
1 ice box.  
1 high office chair.  
4 chairs.  
1 table.  
1 platform scales.  
1 counter scales.  
1 truck.  
1 cream separator.  
15 5-gallon milk cans.  
5 box checks.  
36 5-inch plates.  
26½ dozen bouillon cups.  
9 dozen cafe soups.  
25 dozen after-dinner cups.  
25 dozen after-dinner saucers.  
4 dozen 4-inch platters.  
5 dozen 5-inch platters.  
10 dozen oatmeals.  
36½ dozen bakers.  
1,300 pie plates.  
130 bread-and-butter plates.  
800 dinner plates.  
600 breakfast plates.  
25 celery dishes.  
200 teacups.  
200 tea saucers.  
300 ice-cream dishes.  
25 dozen bouillon saucers.  
1 punch bowl, china.  
1 punch bowl, glass.  
12 punch glasses.  
40 cruets.  
4 cake stands.  
11 dozen 11-inch platters.  
20 dozen creamers, No. 1, white.  
20 dozen creamers, No. 2, white.  
10 dozen glass relish dishes.  
23 dozen iced-tea glasses.  
5 dozen cassolettes, white.  
5 dozen goosenecks, No. 1.  
20 dozen cocktail glasses.  
1 barrel sherbet glasses.  
7 dozen egg glasses.  
3 dozen vases.  
1 barrel crab shells.  
100 compartment plates.  
200 parfait glasses.  
24 fruit cocktail glasses.  
105 bell-boy pitchers.  
1 knife-polishing machine.  
10 dozen rarebit dishes, No. 1.  
5 dozen rarebit dishes, No. 2.

## STOREROOM—continued.

4 casseroles, No. 1, round.  
12 casseroles, No. 2, round.  
15 casseroles, No. 3, round.  
1 casserole, No. 1, oval.  
4 casseroles, No. 2, oval.  
14 casseroles, No. 3, oval.  
12 pot au fen pots.  
5 egg-stand inserts.  
10 ice bowls.  
5 dozen ramikins.

## CAFE WARE.

20 dozen teacups.  
5 dozen after-dinner cups.  
3 dozen creamers, No. 2.  
1 dozen creamers, No. 1.  
1 20-inch fish platter.  
5 dozen cake covers.  
31 6-inch platters.  
5 dozen 10-inch platters.  
13 dozen 11-inch platters.  
7 dozen 12-inch platters.  
3 dozen 13-inch platters.  
3 match stands.  
2 powdered-sugar bowls.  
11 after-dinner saucers.  
3 saucers.  
7 au gratin, No. 3.  
27 au gratin, No. 2.  
16 au gratin No. 1.  
46 bakers.  
214 breakfast plates.  
118 dinner plates.  
72 soup plates.

## SILVERWARE.

1 champagne twirler.  
15 soup tureens.  
5 powdered-sugar bowls.  
4 tea pots.  
17 sirup stands.  
1 large coffee pot.  
19 hot water pots.  
7 large creamers.  
27 A. D. coffee pots No. 1.  
10 A. D. coffee pots No. 2.  
36 coffee pots.  
14 creamers No. 1.  
1 tea pot.  
6 champagne coolers.  
15 crumb trays.  
12 crumb knives.  
5 tureens and trays.  
6 soup ladles.  
2 sugar tongs.  
24 sugar bowls.  
24 soup tureens.  
2 chafing dishes No. 3.  
3 chafing dishes No. 2.  
2 chafing dishes No. 1.  
18 covering sets.  
45 dozen A. D. spoons.  
24 table spoons.  
12 dessert spoons.  
2 dozen ice tea spoons.  
1 dozen help's tea spoons.

## SILVERWARE—continued.

17 dozen dessert spoons.  
 125 steel knives.  
 150 silver knives.  
 24 sirup stands.  
 38 cake covers.  
 18 large creamers.  
 44 hot water pots.  
 84 coffee pots.  
 66 sugar bowls.  
 5 soup tureens.  
 7 soup tureen trays.  
 11 powdered-sugar bowls.  
 4 egg stands.  
 2 bread trays.  
 1 soup tureen No. 1.  
 1 soup tureen No. 1 tray.  
 1 soup tureen No. 2.  
 1 soup tureen No. 2 tray.  
 3 egg stands.  
 3 ice cream stands.  
 2 hot water pots:  
 1 coffee pot.  
 1 sirup stand.  
 4 large creamers.  
 4 small creamers.  
 3 ladles.  
 11 bouillon spoons.  
 12 silver knives.  
 6 steel knives.  
 6 oyster forks.  
 8 small bouillon spoons.  
 4 ice tea spoons.  
 12 forks.

## ENGINE ROOM.

3 boilers; 1 water tube, 2 tubular; rated 480-horsepower.  
 1 6 by 8 direct connected engine, 125-volt, 104-ampere.

## ENGINE ROOM—continued.

1 9 by 10 direct connected engine, 125-volt, 208-ampere.  
 1 18 by 42 Corliss belted to 1,500-kilowatt generator.  
 1 Westinghouse, 125-volt, 35-kilowatt.  
 1 Duplex pump, 7½ by 4½ by 10 pumping house.  
 1 9 by 5 by 10 single boiler feed pump.  
 1 10 by 5 by 12 single boiler feed pump.  
 1 12 by 7 by 10 elevator pump.  
 1 10 by 7 by 12 elevator pump.  
 1 9 by 5½ by 10 house pump.  
 2 elevators.  
 Cold storage compression, 3-ton, ice and refrigerator brine pumps.  
 1 300-horsepower heater in engine room.  
 1 20-horsepower engine in kitchen.  
 Electric light fixtures in all rooms, hallways and public rooms with bulbs.

## LAUNDRY.

1 25-horsepower engine.  
 1 hot water heater, 5 feet by 14 feet.  
 1 return pump, 7 by 4 by 8.  
 3 hot-water pumps—1 10 by 6 by 12 M;  
 1 10 by 6 by 6 C. & H.; 1 7½ by 4½ by 10 Duplex.  
 2 mangles, 100-inch.  
 2 extractors, 28-inch.  
 1 starcher.  
 1 body ironer.  
 1 collar machine.  
 1 shirt machine.  
 1 neck band machine.  
 1 blower.  
 1 dry horse.  
 4 washers.

## TESTIMONY OF MR. J. MILTON TRAINER—Resumed.

Senator HARDWICK. Is there anything else you want to say in regard to this matter, Mr. Trainer?

Mr. TRAINER. It is only my desire to inform the committee.

Senator HARDWICK. You have heard Mr. Chester's statement that you went and looked in one or two of the rooms, and spent about 15 minutes taking an eagle survey of the property and then went off and made this report.

Mr. ADCOCK. State what you did, and if you have any original documents or anything else that you collected there, state what it is.

Mr. TRAINER. I have been in the real estate business, as I stated in my testimony heretofore, for 30 years, and Clark & Trainer during that time have built many buildings, and some of the character of the Eastman Hotel.

I arrived in Hot Springs, Ark., on the evening of the 19th of June. I was there during the 20th and 21st and left the evening of the 22d.

Upon arriving there I reported to Dr. Gandy—Col. Gandy—the commander of the Army and Navy Hospital, and asked him what he knew of the Eastman Hospital proposition, and its character. He said that he knew nothing; that he was not experienced in real

estate, but that it had been offered, and that he was very desirous of having additional hospital facilities there to enlarge the Army and Navy Hospital, and that he had recommended against building additional buildings on the reservation because it was so mountainous, and he desired to have it near the railroad where they could get fuel in, as the winter before they had been unable to get their hospital heated because they were dependent upon gas, and the power plant was so far up on the mountain that it was difficult to get other fuel up there.

I went to the county clerk and the assessor for Garland County first, and examined the plats in the office of the county clerk as to the form, dimensions, and assessed value of the land and the buildings. I was advised by Mr. S. J. Erickson, the county clerk of Garland County, that land and property in Arkansas was assessed, the land alone as one assessment, and that the assessment of block 85, on which the Eastman Hospital was situated, was at \$100,000.

Mr. ADCOCK. You are referring now to written memoranda?

Mr. TRAINER. I am referring to a memorandum that I made at that date in his office on a piece of paper that he gave me. In fact, it is written in his handwriting.

I asked him about what that meant as to the fair market value, and he said that the law of Arkansas was to assess at 50 per cent of the fair market value.

Senator HARDWICK. Did he tell you what the practice was? [Laughter.] Sometimes there is a wide disparity between the two.

Mr. TRAINER. Senator, I will tell you that the files between Mr. Cheater—the communications from him to Col. Gandy and to him, and to the Surgeon General, had been forwarded to me by Mr. Hodge under date of June 12.

Senator HARDWICK. That was the correspondence between Mr. Chester and—Mr. Chester was the manager?

Mr. TRAINER. Yes. Two lots in the block adjoining, upon which the bathhouses and the power house were located, given as lots 2 and 3 in block 84, were assessed at \$11,500.

Mr. CURTIS. Buildings and all?

Mr. TRAINER. Yes, sir; he wrote in here "Eastman baths and bathhouses, lots 2 and 3, block 84," making the total assessed value of the bathhouses, power house, and hotel property, \$111,500.

I then conferred with Mr. Leatherman, the assessor of Garland County, and asked him if there was any change in assessed valuations of the land in the year 1918, and he stated that there was not; that there had been no increased valuations; in fact, a demand had been made by the owners of that property for a reduced assessment from year to year; but that assessment was there and would not be altered in 1918.

I then conferred with Mr. Strauss, the president of the bank, and with Mr. Mack, the vice president of a bank which was a national bank. I just have not in my memory now the name of that bank.

Mr. GAINES. The name of it is the Citizens' National.

Mr. TRAINER. Mr. Strauss stated to me that he had lived at the hotel more or less; that he had been a stockholder of it; that it had had a varied career of success; that there were periods when the Arlington Hotel, which was the most popular hotel in Hot Springs, and the Eastman Hotel, were more or less in competition and in

conflict, and the proprietors of the Arlington had subsequently purchased the stock of the Eastman Hotel, and the Eastman was only kept open during the busy spring season to care more or less for the overflow of the Arlington Hotel.

Mr. Chester gave me similar information later.

I further conferred with a Mr. Johnson, the president of the Second Citizens' Trust Co.

Mr. CURTIS. The Security & Trust Co.

Mr. TRAINER. I was directed to him by Mr. Strauss, Mr. Strauss stating that Mr. Johnson had at one time been treasurer of the Eastman Hotel, and that he had made a mortgage on the Eastman alone of \$65,000 at the time that the bathhouses had been built or remodeled.

Mr. Johnson stated to me that the mortgage had been reduced by serial payments to \$45,000.

I asked him his opinion of the value of the land and the buildings, stating that I was a stranger there and knew nothing about local conditions except from what I might acquire, or inquire, from men who were informed. He stated that when he made the loan he considered that he was making a safe loan. It was not a mortgage that he could sell, but he considered it safe; and that he did not know that he knew just what the value of the property was. He thought the land value was about \$100,000 to \$110,000.

I asked for a meeting that same day, through Col. Gandy, with Mr. Chester, and Mr. Chester met me at Col. Gandy's office, and I was there introduced to him, and he took the colonel and myself to the Eastman Hotel, which was just across the road. We made a very thorough examination of the Eastman Hotel, by starting in on the ground floor, going up through the first floor. We then walked up the steps to the top floor and went out on the roof through the tower and went around a part of the roof. It was very very hot. We came back down and did not go through the fifth floor because the heat was very excessive up there, but went through the floor below that, and went through rooms that Mr. Chester told me were representative. He said, "This is typical room all the way up through these stories," and he called attention to the character of the furniture and furnishings, which was very beautiful, and he showed to me samples of what he said were typical rooms, each of which was a typical room.

We went from that down to the basement, or the lower floor, where the kitchens and the laundries and the refrigerator plant and ice boxes and meat boxes and storerooms were, and made a very thorough examination of them, and I inquired of Mr. Chester whether there were any fire walls in the building. He said he did not think there were. I went around sounding partitions, and having been experienced for years in building, I could readily discover that it was a thin, hollow wall, and was evidently a studded wall plastered, finished with lath and plaster.

The stairways were of wood and the frames of the stairways were of wood. The building was in a good state of repair.

We came up to the second floor, on the floor that leads by a balcony across Cottage Street to the bath building which is on the block adjoining and on which the elevations of the lands were considerably above the block occupied by the hotel itself.

We went thoroughly through the bath building, which was a very beautiful bath building, and Mr. Chester stated that they had been new, or newly constructed.

We went back from that to the engine-house building. We could not get in the engine-house building because he did not have the key, and it was locked, and there was no custodian around there.

He then walked around the block and came back and walked around the Eastman Hotel, he showing me the entrances and exits for receiving of trunks and supplies, and such as that. We were there I should say, about two hours and a half in, through, and around the building.

After leaving Mr. Chester, Col. Gandy and I went back to the commander's office of the post, and Col. Gandy then showed me over locations on the reservation that might possibly be suitable to build additions if the department decided to build additional buildings on the reservation. He also took me to the lands above and over near the railroad, because he said it was very essential to get railroad connections for any enlarged hospital, as he encountered great difficulty in the transfer of supplies by rail into the hospitals; and we examined those blocks, which were level and near to the railroad; not as desirable as the Eastman Hotel block, but still more or less surrounded by desirable residences; and it was desirable property.

I later conferred with Mr. Chester at the hotel. The insurance rate on the property I obtained from him. He stated to me the amount of insurance; that they carried the limit that they could obtain on the property; and he told me what the rate was.

I got the very decided impression from Mr. Chester that his company was not desirous of selling this property. They could not afford to rent it, and I thoroughly agreed with him that they could not afford to rent the property for hospital purposes, and that it would destroy their custom trade, and they might never be able to build it up again.

I asked him for the plans; told him that those plans would be very essential to the Construction Division of the Army, if the building was fireproof.

Senator HARDWICK. In a word, then, you claim you made as thorough an investigation of the matter as you could?

Mr. TRAINER. I did, as thorough as I know how.

Senator HARDWICK. All right.

Mr. TRAINER. After 25 years' experience in such work.

Mr. CURTIS. Did you tell Mr. Chester what you found out about it in Chicago?

Mr. TRAINER. No; I had no information in Chicago. I think Mr. Chester told me that some St. Paul architect had been connected with it or built it, and he would endeavor to get those plans and forward them to me in Chicago. He wired me in Chicago that he would be able to get the plans and would forward them to Washington, and I wired him to forward them to Washington.

Mr. CHESTER. I would just like to ask this: Do you not remember in the laundry, the day Col. Gandy was there, I wanted to show you the books, to show that it was a paying proposition, and you said that did not enter into it, and you knew all about it in Chicago?

Mr. TRAINER. No. I will tell you what I did say. You refresh my memory now. I asked you if it was a paying proposition, and you said yes.

Mr. CHESTER. On its original capital only.

Mr. TRAINER. You said on its earnings on the cost to my people. It is, and has been recently showing dividends, except in years when we have had extraordinary charges.

Mr. CHESTER. It has always paid a dividend on the original capital stock.

Mr. TRAINER. Yes, I think you said that; something like \$36,000 had been its net earnings that year.

Mr. CHESTER. That year we had paid a dividend of 5 per cent and paid off a mortgage of \$30,000.

Mr. TRAINER. I think you said that you paid 6 per cent dividend, which was \$30,000.

Mr. CURTIS. Do you not remember telling him that you were familiar with this property through what you knew in Chicago?

Mr. TRAINER. No, sir; I knew absolutely nothing about it until I arrived in Hot Springs.

Mr. CURTIS. Did you not say anything about knowing somebody that had hotel property in Hot Springs—a Chicago man?

Mr. TRAINER. No; I think I said to Mr. Chester that my wife and myself had spent a short time in Hot Springs in the late nineties. We stopped at the Arlington Hotel. I had no knowledge of these properties other than as a visitor.

Mr. CHESTER. How did you come to the conclusion that the hospital had been closed for a number of years, as you stated in your report?

Mr. TRAINER. Mr. Mack and Mr. Erickson and Mr. Johnson had told me that the hotel had been closed for a good many years and only been opened for a few years previous to care for the overflow from the Arlington.

Mr. CHESTER. That is not so.

Mr. TRAINER. I got that simply from them. I did not originate any statement that I put in my report. I only took the statements of men that I understood had been acquainted with matters there, reliable men.

Mr. CURTIS. I notice you put in evidence there something about the assessed value of the bathhouses at \$11,000, and that went into your computation. You went through the bathhouses?

Mr. TRAINER. Yes.

Mr. CURTIS. You saw, as you have just stated, that it was an elegant affair?

Mr. TRAINER. It was a very—

Mr. CURTIS. What do you think you could replace that bathhouse for at the present day?

Mr. TRAINER. I did not estimate it on that line. It was assessed for taxes at \$11,500, land and buildings.

Mr. CURTIS. You used that largely in making up your estimates of the values?

Mr. TRAINER. I will say, in answer to your question, I did not just understand my responsibilities to be, when there, that I was deciding anything. I was investigating sites, as I recognized them, and reporting to Washington, where I had up to that time had no experience. This had been the first report that I had made, and I did not in any manner try to shape the mind of the department.



Senator HARDWICK. Of course the department would rely on your report.

Mr. TRAINER. Yes; I understand, and I gave the facts as I saw them.

Mr. CURTIS. Were you given the reports that had been made by this Army officer that had been sent down there?

Mr. TRAINER. No; I had not the report of anybody. I simply had communications.

Senator HARDWICK. I think we understand the contentions of all parties in this matter. The committee has what it wants on this.

Mr. CURTIS. He speaks of Mr. Straus as being a stockholder. I do not want to recall Mr. Chester, but as a matter of fact Mr. Chester will state that Mr. Straus was never a stockholder in the Eastman Hotel Co.

Mr. CHESTER. No; and neither was Mr. Johnson.

Senator HARDWICK. It is not very material. He says they told him that.

Mr. CURTIS. I call your testimony a rather rambling statement.

Mr. TRAINER. It is not at all rambling. My information was correct and thorough.

(Thereupon the subcommittee adjourned until to-morrow, Saturday, February 8, 1919, at 10.30 o'clock a. m.)

(The following letter and attached report are, by order of the committee, printed in full as follows:)

WAR DEPARTMENT,  
OFFICE OF THE SURGEON GENERAL,  
Washington, February 8, 1919.

HON. JAMES A. REED,  
*United States Senate, Washington, D. C.*

MY DEAR SENATOR REED: In compliance with instructions from the honorable the Secretary of War, I have to hand you herewith the report made by Col. C. M. Gandy, Medical Corps, on the Eastman Hotel at Hot Springs, Ark.

Very sincerely, yours,

M. W. IRELAND,  
*Surgeon General, United States Army.*

OFFICE OF THE COMMANDING OFFICER,  
ARMY AND NAVY GENERAL HOSPITAL,  
*Hot Springs, Ark., July 15, 1918.*

Brig. Gen. ROBT. E. NOBLE,  
*Medical Corps, Surgeon General's Office, Washington, D. C.*

MY DEAR GEN. NOBLE: I have your letter of the 12th instant on the subject of the Eastman Hotel property, which reached me this evening. I am working "overtime" with a basket of papers awaiting action, to get a reply off in the morning. Since you ask me for a perfectly candid and unofficial opinion on the hospital proposition with reference to this place, I am going to give it to you straight from the shoulder.

Ever since the question of providing hospital accommodations for troops returned from overseas has been under consideration, I have considered the plan of shipping sick men half way across the continent to an out of the way place located on the dead ends of a couple of fourth-class railroads as one not in strict accordance with my own ideas. When I made my first report on a proposal to expand by pavilions to a thousand-bed basis, I did not recommend it; in fact such expansion is impracticable on account of the character of the terrain.

Later on I had a letter from "Jim" Glennan saying that it was up to me to make some recommendation for expansion, and I gathered from his letter that time was an element to be considered. Acting on this I took up the Eastman proposition, which I considered by all odds the best. In my letter I gave as one alternative new construction either on this reservation or an enlarged one, taking a slice of the adjoining reservation under Interior Department control, all of which is perfectly practicable if time and money are no objects.

The nonfireproof character of the structure had not escaped me, and the best bet I could think of was to tear off the top portion which is the most objectionable part of the structure, fireproof as far as possible, and construct outside iron escalators, electrically driven, with power from a duplicate source (the hospital plant and the public utilities service of the town), making these sufficiently wide so that a litter could be shoved out of the door from various parts and stories of the building right onto the carriers, thus keeping practically an endless chain of litters going down; the escalators being also provided with broad steps as in the ordinary apparatus of the kind to permit the rapid handling of nonlitter patients as well. Owing to the slope of the ground, bridges from the second and third stories of the building would strike the porches and grounds of our present buildings, and were proposed as means of communication under normal conditions, and as methods of escape in case of fire.

Now with reference to a site adjoining the reservation for entirely new construction. The "goat farm" which the local talent proposes to unload on us is around Hot Springs and North Mountain (both usually known collectively as North Mountain). It is a God-forsaken spot, and if I understood Mr. Trainer correctly, would cost more to put in shape and prepare for building and provide with water and sewer connection, than it would to purchase the Fastman property, tear down the old building, and get it ready for the new. While it does adjoin a portion of the Interior Department reservation, it is far away from the military reservation, and from the town, railroad stations, and from everything; this, however, in some respects would be an advantage, as the far-removed one is from this town, the greater the advantage in many ways.

Now as to other sites in the vicinity, north and east you run up the mountain with a slope of from 30° to 40°, with a terrain which would require a large expenditure of time and money to put it in shape. In addition, the getting of water up there would be more or less of a problem should you be too ambitious as to altitude. If you go west you run into "Bath House Row," which is the main source of livelihood of the denizens of our fair city. If you go south, you strike the Fastman property, which is the best bet after all. According to the Hot Springians idea this real estate alone, independent of the buildings is worth the whole price asked for the entire property as it stands: this is when you want to buy; if you had real estate here to sell, I presume it would be about as valuable as a farm in the pine barrens of New Jersey. I am inclosing a section of a map which will help you refresh your memory somewhat with reference to the lay of the land.

To go back to the hot-water proposition. I don't know that hot water is going to be a specific for a large portion of the cases which we will get back from across the Atlantic; if it is, the coal that would be expended in transporting patients out here would heat a lot of it, and, according to my lights, hot water heated in a boiler and alternated with cold, and supplemented by massage, etc., would be "just as good" as hot water pumped out of the earth.

So far as any specific properties of these waters is concerned, I believe they are nil. If you must have hot water heated by nature, and have other hot springs available within a few hours of your port of debarkation, why ship the poor devils on a two days' trip to get it? And particularly so when it is difficult to get decent ground on which to build a hospital.

There is little in the way of agricultural products raised in this vicinity, and even with our small place a considerable portion of our stuff is shipped in. The merchants of the town are as a rule archaic and profiteers. I have for the past two weeks been trying to get half a dozen 35-cent socks without avail and will be obliged to send to New York or go without.

The weather this minute is hotter than it is in Manila, and during the past winter we had it 5° below zero by a Weather Bureau standard thermometer, the gas supply cut off, and burning slack and just ready to commence on green pine poles when we finally succeeded in getting in a carload of coal.

To sum up—don't build a hospital here for the reception of overseas cases if you can avoid it: if you are forced to build, don't take the "goat farm" or let any delegations put anything over on you: if you must have a site, then the Fastman plot is the best available, and aside from the nonfireproof feature, the building and property at their figure with present-day prices is not a bad proposition.

I also have in my mail this evening your circular letter on "clinical records" and the appointment of a "supervisor of clinical records." I have, as you probably know, three assistants besides myself, the service of the senior being something like 18 months. None of them have ever seen a military post except this, with the exception of Dramer, who had three weeks' training at the camp at Riley. With the total of four medical officers I have the following positions filled: 1. commanding officer; 2. adjutant; 3. personnel officer (style of designation changed according to the "register," which came to-day to personnel adjutant); 4. quartermaster; 5. treasurer; 6. exchange officer; 7. signal officer; 8. reclamation officer; 9. intelligence officer; 10. registrar; 11,

chief of medical service; 12, chief of surgical service; 13, chief of ear, eye, etc., service; 14, chief of laboratory service, and a few more which I have probably overlooked. Many of the "fancy" staff officers are called upon by their respective chiefs for long and elaborate reports upon the "whichness of the whyfore," all of which takes time and requires the study of long and elaborate special regulations and reference to military matters of which most of the men never heard. In addition, we have more reports to make than you can imagine to food administrators, fuel administrators, and all sorts of other administrators. To-night I received a letter from the United States Geological Survey, working in cooperation with the United States Fuel Administration, sending a schedule to be carefully filled out showing the details of the workings and output of private electrical plants. Russell recently requested me to detail a board of three medical officers exclusively for the duty of investigating cases of pneumonia originating at "your hospital" which eventuated in empyema. Inasmuch as there has been only one such case since I came here, I did not relieve my three assistants from all other duty to study it. From this you will see that we are getting about as much paper work here and about the same size staff as would be required for a 3,000-bed hospital and a division command combined. In other words, whenever an organization is worked out for a division or other independent command, I come in on the deal. All this is interesting, but with three inexperienced men only as a staff, considerable extra work falls on the "old man" in the way of details and gives little time for any larger problems that may come up. All this leads up to the fact that I must have either a larger personnel or less paper work; since the latter will probably increase rather than diminish, the former appears to be the only alternative. In the olden times I always looked upon an adjutant at a small hospital very much as I did upon an orderly, as a highly ornamental luxury; now, however, I need an adjutant, and need one badly, and if he knows the difference between Army Regulations and the Manual for Courts-Martial he could also act as personnel officer and registrar--all of which I have been doing myself--likewise as commanding officer of the detachment M. D. and of the detachment of patients, which I likewise am. A good, reliable, old-time sergeant, first-class, who is now a Sanitary Corps officer, would work in nicely. I do not want a man who has never seen a soldier or a military post, however, no matter how good an obstetrician he may be. I could also use other men, notably one who could do some general medical work and one who is young enough and adaptable enough and has military knowledge enough and sense enough so that he could do odd jobs like reclamation officer, intelligence officer, and other kinds of officer required in constantly coming orders for new and unknown jobs.

Having drawn all sorts of jobs picking up odds and ends as a lieutenant 35 years ago, graduated from them into more important ones for many years, and coming back to the same old things in a new form once more, I am wondering if it is considered as symbolic of coming second childhood.

I will be glad to know when a decision is reached concerning the new hospital, and I hope it will not be the "goat farm" site.

Yours, sincerely,

CHAS. M. GANDY.

DECEMBER 20, 1917.

From: The Commanding Officer.

To: The Surgeon General of the Army, Washington, D. C.

Subject: Expansion of Army and Navy General Hospital.

1. In compliance with instructions contained in letter dated Surgeon General's Office, December 8, 1917, I have taken up the question of leasing the Eastman Hotel for use as an annex to this hospital.

2. I have had several interviews with Mr. W. E. Chester, the local manager for the New York Hotel Co., the owners of the hotel referred to, and learn from him that while the company is willing to sell the entire plant to the Government, they will not voluntarily entertain a proposition for a lease.

3. I inclose copies of the correspondence, concerning the matter, and invite special attention to the letter of Mr. Chester, dated December 17, 1917, which contains their proposition. Also to the explanatory second indorsement hereon.

4. Owing to its contiguity to this hospital and the completeness of the plant, the acquisition of the Eastman Hotel would be the ideal solution of the problem of the expansion of this establishment, and in my opinion it will be a misfortune if it can not be secured at this time when the question of hospital expansion is of vital import.

5. It is suggested that if the matter were taken up by the Surgeon General's Office directly with the president (Mr. A. B. Gaines, Englewood, N. J.) or other general officials of the New York Hotel Co., some satisfactory agreement might be reached.

The merit of Mr. Chester's statements contained in the second and third paragraphs of his letter is appreciated, and I have been impressed with the straightforwardness of his statements in my interview with him, and with the disadvantages which would accrue to the company from the temporary lease of the plant for hospital purposes. Notwithstanding this we should have the property, either temporarily or permanently.

CHAS. M. GANDY,  
Colonel, Medical Corps, Commanding.

[First indorsement.]

ARMY AND NAVY GENERAL HOSPITAL,  
Hot Springs, Ark., December 18, 1917.

To the MANAGER,  
The New York Hotel Co., Hot Springs, Ark.

1. Returned, requesting additional information on the following points:

(a) Does the proposition contained in the first paragraph of your letter include title to all the lands on which the Eastman Hotel and buildings pertaining thereto are located?

(b) Are the complete equipment and furnishings of the hotel included in the proposition?

2. Reply by indorsement with return of papers is required.

CHAS. M. GANDY,  
Colonel, Medical Corps, Commanding.

[Second indorsement.]

(a) Our proposition to the Government is that we will turn the Eastman Hotel property over to them at par value of the stock, viz, \$600,000, they to assume the mortgage of \$45,000 which stands against the property at this time. We will give them good title for the building and the land on which it stands. This is described as all of block 85, city of Hot Springs, Garland County, Ark. Also lots 2 and 3, block 84, city of Hot Springs, Garland County, Ark., and upon which the Eastman Hotel, bath house, and engine room are located.

(b) We will turn the hotel over with complete equipment and furnishings as it stands to-day, less reasonable wear and tear, with the exception of the personal furnishings in two rooms occupied by the president of our company; and the personal furnishings in two rooms occupied by the manager.

THE NEW YORK HOTEL CO.  
By W. E. CHESTER, Manager.

HOT SPRINGS, ARK., December 17, 1918.

Col. CHAS. M. GANDY,  
Medical Corps, Commanding,  
Army and Navy General Hospital, Hot Springs, Ark.

SIR: In reply to your letter of the 14th instant, and in connection with my talk with you of 10 days or 2 weeks ago, I wish to say that I made a trip East and talked over with our president, Mr. A. B. Gaines, also two of the other directors, the matter of selling or leasing the Eastman Hotel to the Government. I went over with them thoroughly all the points you brought out in your conversation with me, and I told them that I had submitted a tentative proposition to you, viz, that we would sell the Eastman Hotel to the Government for \$600,000, the amount of the capital stock, the Government to assume the mortgage of \$45,000 which stands against the property at the present time.

I also told them that the Government wished a proposition from us as to a lease on the property for one year with the privilege of buying the hotel outright or renewing the lease. Our directors feel that they would not care to lease the property at any price, as its occupancy for hospital purposes would render it absolutely useless to us as a hotel catering to the highest class resort business. However, they have given their sanction to my proposition to you for the sale of the hotel, the same to be turned over to the Government as it stands to-day, less reasonable wear and tear, on the 15th or 30th of May, 1918.

You are thoroughly familiar with the class of business to which we cater, and are probably aware that while the Eastman is only open about five months each year, during the past few years it has been operated most successfully, and we feel that the property could not be duplicated for less than a million dollars; therefore that the proposition made to sell the plant to the Government at par value of the stock is

very fair. The hotel has been kept in an excellent state of repairs. During the last few years we have had our bathhouse completely remodeled under the supervision of the Interior Department, have installed hot and cold running water in each room, added extra bathtubs, put in local and long-distance telephones in every room; in fact, the plant is to-day in better shape than it was the day it was built, the above-mentioned improvements representing an expenditure of over \$200,000.

In conclusion I would say that if the Government feels that the Eastman Hotel is needed to care for the sick and wounded, and decides to purchase the property, I have been authorized by the directors of our company to inform you that we will enter into an agreement with the Government at once to turn this property over to them at any time they see fit between now and May 15 or 30, 1918, they to give us 60 days' notice. While we realize, of course, that the Government can commandeer the property and take it at any time, we also feel that you can submit the proposition to them in such a way that they will readily see our position in this matter and understand how important it is to us that we be allowed to take care of our regular patrons and the conventions we have booked for the latter part of April and first part of May.

Very respectfully,

THE NEW YORK HOTEL CO.,  
By W. E. CHESTER, *Manager.*

[First indorsement.]

WAR DEPARTMENT,  
ADJUTANT GENERAL'S OFFICE,  
MISCELLANY DIVISION,  
*Hot Springs, Ark., July 29, 1918.*

To the SURGEON GENERAL:

Returned in view of the fact that request for the purchase of this property has been withdrawn. No further action is deemed necessary.

By order of the Secretary of War.

J. B. WILSON,  
*Adjutant General.*

# MILITARY HOSPITALS

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## HEARINGS

BEFORE THE

COMMITTEE ON  
PUBLIC BUILDINGS AND GROUNDS  
UNITED STATES SENATE

SIXTY-FIFTH CONGRESS

THIRD SESSION

PURSUANT TO

## S. RES. 386

A RESOLUTION PROVIDING FOR INVESTIGATION OF THE  
SELECTION AND ACQUISITION OF SITES FOR  
GOVERNMENT HOSPITALS

---

Printed for the use of the Committee on Public Buildings and Grounds

---

## PART 2



WASHINGTON  
GOVERNMENT PRINTING OFFICE  
1919



# MILITARY HOSPITALS

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## HEARINGS

BEFORE THE

COMMITTEE ON  
PUBLIC BUILDINGS AND GROUNDS  
UNITED STATES <sup>Congress</sup> SENATE  
" SIXTY-FIFTH CONGRESS

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## PART 2



WASHINGTON  
GOVERNMENT PRINTING OFFICE  
1919



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1919

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS.

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CLAUDE A. SWANSON, *Virginia.*  
EDWARD J. GAY, *Louisiana.*

FRANCIS E. WARREN, *Wyoming.*  
BERT M. FERNALD, *Maine.*  
CHARLES CURTIS, *Kansas.*  
HOWARD SUTHERLAND, *West Virginia.*  
JOSEPH S. FRELINGHUYSEN, *New Jersey.*  
JOSEPH I. FRANCE, *Maryland.*  
IRVINE L. LENROOT, *Wisconsin.*

DON M. HUNT, *Clerk.*

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## MILITARY HOSPITALS.

SATURDAY, FEBRUARY 8, 1919.

UNITED STATES SENATE,  
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS,  
*Washington, D. C.*

The subcommittee met at 10.30 o'clock a. m. in the room of the committee in the Capitol, Senator Thomas S. Hardwick presiding.

Present: Senators Hardwick (acting chairman), Beckham, Trammell, France, and Lenroot.

Senator HARDWICK. Yesterday we had just finished with these gentlemen from Hot Springs, as I understand. This morning I am going to ask Assistant Attorney General Porter, of the Department of Justice, to make a brief statement on a matter that is connected with this affair.

### TESTIMONY OF MR. CLAUDE R. PORTER, ASSISTANT ATTORNEY GENERAL, DEPARTMENT OF JUSTICE.

(The witness was not sworn.)

Senator HARDWICK. Please give your name and official position to the reporter:

Mr. PORTER. Claude R. Porter, Assistant Attorney General.

Senator HARDWICK. Mr. Porter, do you know anything about the charges made against Mr. Milton J. Trainer, of the real estate bureau of the War Department, in connection with this Chicago hospital matter?

Mr. PORTER. The only information that I have is obtained from a file of papers which was sent by the honorable Secretary of War to the honorable Attorney General during the latter part of December, 1918.

Senator HARDWICK. For investigation by the Department of Justice in connection with this matter?

Mr. PORTER. For investigation and such action, if any, as the Department of Justice might deem advisable.

Senator HARDWICK. Has the Department of Justice got this matter under consideration at the present time?

Mr. PORTER. The Department of Justice has the matter under consideration, both as to law and as to facts concerning it.

Senator HARDWICK. It has not yet come to a determination as to what proceedings, if any, are to be instituted?

Mr. PORTER. No, sir; no definite conclusion has as yet been reached in the matter.

Senator HARDWICK. With the papers that came to the Department of Justice was there anything that purported to be a letter from

the Secretary of War exonerating Mr. Trainer from these charges, either signed or unsigned?

Mr. PORTER. There is in the file, as received at the Department of Justice, an unsigned letter to that effect.

Senator HARDWICK. Purporting to be dictated for or by the Secretary of War? Suppose you just let us have that, if it is not incompatible with the interests of the department in this matter.

Mr. PORTER. Yes, sir.

Senator HARDWICK. You have that, have you not?

Mr. PORTER. Yes, sir; I have, and will hand it to the chairman of the committee.

Senator HARDWICK. Let me see it first. I will read it into the record. I know you gentlemen are all interested in it. It is dated December 18, 1918, and is addressed to Mr. J. Milton Trainer, Munitions Building, Washington, D. C.:

DEAR SIR: I have read the article in the Chicago Tribune of Saturday, November 30, 1918, which you have drawn to my attention, in which the statement is made that you have been charged by Mr. Jacob Newman, attorney for Mr. Hines, and other lieutenants of Mr. Hines, as having solicited a bribe in connection with the Speedway Hospital proposition.

I have had a very thorough investigation made of this entire matter by the Inspector General, and am glad to assure you that there is not a vestige of truth in the newspaper article.

As an active member of the real estate section of the General Staff, you have given exceedingly valuable service to the War Department, and I take pleasure in stating that you record in every real estate transaction having to do with War Department matters has been above reproach.

Yours, very truly,

Unsigned, and under it: "Secretary of War."

Do you know why that letter was in the files?

Mr. PORTER. No, sir; except as there are references to it, I think in a memorandum prepared by Mr. Trainer, I think; and then I also have a letter of date February 1 of the present year explaining the situation, signed by the Secretary of War himself.

Senator HARDWICK. Let me see that, unless there is some objection to doing so.

Mr. PORTER. No, sir; I think not, sir. I think that letter possibly ought to be considered in connection with the other.

Senator HARDWICK. I will read this for the record, then:

WAR DEPARTMENT.

Washington, February 1, 1919.

MY DEAR MR. ATTORNEY GENERAL: On December 28 I sent to the Inspector General a memorandum, with certain attached papers, having to do with the alleged solicitation of a bribe by J. Milton Trainer. The papers which I supposed I was sending to the Inspector General were as follows: (1) My memorandum of December 28; (2) a letter from me to Mr. J. Milton Trainer, dated December 28, acknowledging the receipt of a communication from said Trainer dated December 23; (3) a letter from J. Milton Trainer to me as Secretary of War, dated December 23, with regard to an article published in the Chicago Tribune of November 30, and charges therein reported filed against him by Edward Hines, etc.

Gen. Chamberlain has to-day shown me copies of other papers transmitted to you at the same time: (1) a memorandum from J. Milton Trainer to the Hon. Benedict Crowell, First Assistant Secretary of War, dated December 20; (2) an undated letter, copy bearing pencil date December 18, to J. Milton Trainer, and bearing a place for signature by me. The second paragraph of this letter reads:

"I have had a very thorough investigation made of this entire matter by the Inspector General and am glad to assure you that there is no vestige of truth in the newspaper article."

Gen. Chamberlain has told me that he has informed your office that this letter was never signed by me. I am writing to make that fact a matter of record in your office. This undated and unsigned letter was presented to me by Mr. Crowell with the statement that Mr. Trainer had presented it to him and asked him to ask me to sign it. I read it and refused to sign it, and, as I recall it, handed it back to Mr. Crowell. It was never signed, of course never sent, and, except as Mr. Trainer himself had it prepared, I do not know how he came to be in possession of a copy of it; nor do I know how a copy came to be attached to the papers transmitted from my office to the Inspector General.

Cordially, yours,

NEWTON D. BAKER,  
*Secretary of War.*

THE ATTORNEY GENERAL.

Mr. Porter, you are the law officer of the Government having this matter in direct charge?

MR. PORTER. Yes, sir. I have charge, generally speaking, of all criminal matters in the Department of Justice.

Senator HARDWICK. Would you or would you not think it proper to go into this matter now, with the matter undetermined by the department?

MR. PORTER. Where a matter such as this, Mr. Chairman, is before the department and is receiving its serious consideration I do not believe that at this time I ought to express an opinion either as to a matter of law or as to a matter of fact on the case, because it is now being considered.

Senator HARDWICK. In view of that, gentlemen, I will not ask any further questions for the committee unless Senator Trammel wishes to submit any, and I will not permit the attorneys on either side to ask any questions about what is happening in the Department of Justice—

MR. BENNET. I do not think it would be proper to do so.

Senator HARDWICK. Except these matters that have been, with the consent of the department, submitted to the committee. If either attorney wants to ask Mr. Porter any questions with relation to these specific matters, I will permit that.

MR. BENNET. I have no questions. I think the correspondence speaks for itself.

Senator HARDWICK. I think that is all, then.

MR. PORTER. Would it be all right for me to volunteer a suggestion?

Senator HARDWICK. We would be glad to have you say anything you think it is proper to say.

MR. PORTER. As bearing on the letters that you have inquired about, I do find here, under date of December 23, a letter or memorandum addressed to the Secretary of War and purporting to be signed by Mr. Trainer, and then there is what apparently is a carbon copy of an answer of date December 28 addressed to Mr. Trainer by the Secretary of War bearing on this same subject.

Senator HARDWICK. Those are referred to in that last letter.

MR. PORTER. I think these two letters are each referred to in the last letter.

Senator HARDWICK. I will ask you one question, and you can answer it or not, according to your own sense of what is proper in this matter. We will not take it amiss at all if you do not answer it; but do you know how this unsigned letter of the Secretary of War got in this file? Where did it come from to you?

Mr. PORTER. Well, Mr. Chairman, you see, the first I would know of the entire matter is as it would be received in my division in an envelope sealed up and sent over, transmitted, by the War Department.

Senator HARDWICK. What I mean is this: The Secretary of War finds it necessary to call your attention to the fact that he not only had not signed this letter, but he had refused to sign it, and to express his surprise that it was in the file. Now, did it come in the file from his office, with the original file, or not?

Mr. PORTER. Yes, sir; but I think, Mr. Chairman, that came about in this way, that in glancing through the file one of the attorneys in my division, under me, saw this unsigned letter. He thought it was a carbon copy of probably a letter that had been signed, so he wondered, naturally, why—

Senator HARDWICK. If that was true, why—

Mr. PORTER. If that was true, why the Secretary would send us the case; so he called—I forget whom—an official in the Department of War, and they came over to look through the file, and they—

Senator HARDWICK. They discovered it in that way?

Mr. PORTER. They discovered it.

Senator HARDWICK. But what I wanted to know was this: With what part of the file did that come? Did that come with the original file from the Secretary of War's office, that submitted the case to you?

Mr. PORTER. Yes, sir; it came with the original file that I have in my hand, which purported to be the original papers.

Senator HARDWICK. From the Secretary of War's office?

Mr. PORTER. From the Secretary of War's office.

Senator HARDWICK. In other words, as near as you can tell, either the Secretary of War or some person acting for him, somebody in his department, had included that letter in the file?

Mr. PORTER. Had included that with the rest of the letters in the file on that case.

Mr. ADCOCK. Mr. Chairman, I understood Mr. Trainer to state yesterday that he had drawn a draft of a letter which he asked the Secretary to consider and sign.

Senator HARDWICK. I know; yes. I understood that.

Mr. ADCOCK. And probably, I assume, the letter went into the file along with a lot of other things.

Senator HARDWICK. Well, of course, this witness would not know that. That is a matter of argument. We will hear you on that phase of the case later.

Mr. ADCOCK. I did not see how that was material, because Mr. Trainer stated frankly that he wanted such a letter.

Senator HARDWICK. I know that.

Mr. ADCOCK. And he asked them to give him such a letter.

Senator HARDWICK. Yes; I know that.

Senator TRAMMELL. There is no claim here that the Secretary did sign such a letter, however?

Mr. ADCOCK. No, sir; there is no claim that he did sign it, and I think Maj. Stotesbury stated that he had talked to Secretary Crowell, and he said he did not feel that such a letter should be sent; that it ought to go to the Department of Justice.

Senator HARDWICK. What we are after now is just the facts from this witness, not inferences. Thank you very much, Mr. Porter. We will excuse you, with thanks for your attendance.

Before we go back to your witnesses, Mr. Adcock, there are some ladies here from Chicago who have come to be heard.

(After a brief conference between members of the committee and Mr. Bouvier and Maj. Loring, the following occurred:)

Mr. BENNET. Is the conference with counsel anything in which Mr. Hines is interested or is it a private conversation?

Senator HARDWICK. No; it was not private. I thought you were hearing it. I suggested to the attorneys for the department that in the opinion of such members of the committee as I had conferred with the sole question to which they might with propriety address themselves in arguing some of these matters was the question of moral responsibility on the part of the Government with regard to this project.

Mr. BENNET. Thank you very much.

Senator HARDWICK. I am glad to give you that information, because I want to hear from you at length on that question.

Mr. BENNET. Surely; yes. I did not know; of course I realized that counsel had a perfect right to confer with members of the committee.

Senator HARDWICK. There was nothing private at all in the conversation. The attorneys for the department were just asking me whether they could be heard at all or not, and I was suggesting that they confine themselves to certain phases of this matter.

I will ask the chairman of the delegation, or any one of the members of this ladies' association who wants to proceed first, to come forward.

#### **TESTIMONY OF MRS. MARY DELANY FISHER, PRESIDENT OF THE ILLINOIS WOMEN'S PRESS ASSOCIATION.**

(The witness was not sworn.)

Senator HARDWICK. Please give the reporter your name, etc.

Mrs. FISHER. Mrs. Mary De Lany Fisher, chairman of the Women's War Hospital Committee of Chicago, organized by the Women's Press, the women's newspaper of that city, to protest against housing soldiers in the inflammable structures, absolutely fire traps, at Fort Sheridan, in which we understood it was intended to place our boys.

The Women's Press is a paper that always stands for constructive things that appeal to women. It was started at the period of the beginning of the war by a group of 20,000 women, the women's committee of the Council of National Defense, the Red Cross, and the suffrage organizations, to facilitate women's work during the war, and during that time we gave all the columns of the paper to every branch of the Government propaganda in which we could possibly help.

At the beginning of this campaign for fireproof hospitals, Mrs. Edmund T. Johnson, the president of the Chicago Women's Club—one of the most conservative organizations in Chicago—called us up and suggested that the housing facilities for the crippled boys or the wounded boys at Fort Sheridan were so horrible that we should in-

investigate and take up the campaign, because it was something in which all women would back us up. This we did. We organized a committee, and we decided that the best plan was quietly to have a number of the ladies from the committee come down to Washington and present the facts, as we saw them, after visiting Fort Sheridan, to Secretary Baker, and those most interested, rather than air the thing in the public press, thinking that we would cooperate with the Government to very much better advantage by bringing the facts as we gathered them to the notice of the Secretary.

The seven ladies came down to Washington. We had visited Fort Sheridan in groups at different times under different weather conditions and found the buildings constructed of inflammable material, pine, seven-eighths inch pine, of which we brought a sample down to the Secreary, poor tar roofing, plaster board inside, built two and a half stories high on wooden stilts, no supports of any sort, open spaces underneath, electric wires strung without conduits, breaking all the fire-ordinance regulations, and living conditions such that you would not want to house a very poor grade of a bicycle in the buildings. In fact, with one of the ladies of the committee I went out there, and I found a man opposite this building in charge of tools, an old man who had been working there 26 years. I said: "What do you think of these buildings over here?" He said: "I have two boys over on the other side. I am hired to take care of the tools here. We would not put them in those buildings, and I would hate to see any of my boys, either one of them, come back and be put there."

Senator HARDWICK. That was at Fort Sheridan?

Mrs. FISHER. That was at Fort Sheridan—the man opposite the building. That was our first information.

Then we went, without any guard, in and out of these buildings; of course, just women, mothers if you like, representing no high or low, but voicing the protests of thousands of other women who wanted to know facts. We did not go out accompanied by any construction engineers or any technical experts, but we merely wanted to see what sort of buildings they were going to put these boys in. My brother is over there, and Mrs. Sevey's son was there, and Mrs. Hunt's boys were over there. We were all interested in housing our boys and other mothers' boys properly.

The thing was so very bad that we went out again and again before we came down to Washington. We presented the facts to Secretary Baker. He gave up 45 minutes of his time and received us very kindly and he said he would give me every assurance to carry back to Chicago to the mothers of the boys that they would safeguard them in every way possible—now that was a pretty broad general statement—and, further, he instructed us to give all of the data of Secretary Keppel. Secretary Keppel, as I understand, explained it all to us, but we did not get any explanation from Secretary Keppel. He simply got our facts down to three points—that we objected to the housing on the ground that the buildings were inflammable, on the ground of their inaccessibility, and also—there was one other point, Mrs. Sevey. What was the other point?

Mrs. SEVEY. It was on account of the plan of construction.

Mrs. FISHER. Not suited to the ground?

Mrs. SEVEY. The construction was not suited to the ground.

Mrs. FISHER. Those are the only facts that Mr. Keppel helped us to pin our objections down to, those three points. He made no explanation.

Then we went to Surg. Gen. Ireland's office and spent two and a half hours there, and he instructed us as to the housing. We objected, showed him our samples of the wood and the roofing, and he said, "Well that is the best we can do. This project was constructed according to plans"; and Lieut. Col. Wright showed us the plans, and they seemed very nice plans if everything had been on level ground, only in this case the ground was not level. Sometimes there is a difference of 16 feet, so that in place of a two-story frame structure you have a two and a half story structure 16 feet under the first floor.

So we went on down to Gen. March's office, and explanations were made by a group of gentlemen, all in uniform, who were well informed, and showed us that they were doing the very best they could; and we believed they were doing the best they could, but the best is not good enough for our boys. The net result of all these gentlemen's highly specialized work—and we admit it is well done—is not good enough, and the mothers of these boys are not satisfied with conditions there, and the sentiment is growing worse and worse.

Before we went back we presented to Secretary Baker, through Secretary Keppel, our findings—the agreement of these seven ladies. That was handed to the Secretary on January 13, before we left for Chicago. I understood that he had not heard from us, so before we left we wrote Secretary Baker, and it was left January 13. I have here a copy of this report.

Senator HARDWICK. Give it to the reporter, please, if you will.

Mrs. FISHER. I will read one clause there, one sentiment. I think that expresses how we regarded the explanations these gentlemen gave us.

(Mrs. Fisher thereupon read the latter part of the letter referred to, beginning with the words "After a careful examination of the plans," etc. The entire letter is as follows:)

WASHINGTON, D. C., January 13, 1919.

HON. NEWTON D. BAKER.

*Secretary of War, Washington, D. C.*

SIR: At a meeting of the Woman's War Hospital Committee of Chicago the chairman of the committee presented a statement volunteered by Fire Chief Henry, of Washington, D. C., that he considered hospital buildings of the same model and construction as those at Fort Sheridan, Ill., to be unsafe as regards fire hazard. For hospitals of similar construction in the District of Columbia, he said that he had ordered stand pipes to be erected at the end of each building and a special fire guard to be detailed from his department, to be on duty at all times.

This statement was later confirmed by Maj. Goldsmith, United States Army, expert on fire risk, and Mr. Hogue (or Hogge) of the fire underwriters.

This information, coming at a time when this committee was disposed to accept the assurances of the men in charge of the construction of these hospitals, viz, Lieut. Col. Wright, Gen. March, and aides, as well as Surg. Gen. Ireland, and Maj. Billings, that they considered the Fort Sheridan hospital buildings now in course of construction to be fire safe, if the specifications are carried out to the letter, forced the committee to the conclusions that the buildings as they investigated them in process of construction are unsafe.

1. Because of the inflammable material used in construction.

2. The location on a hillside, making it necessary to have the frame foundations vary from 4 to 15 feet from the level of the ground or erecting the buildings on stilts.



After a careful examination of the plans, as outlined on the blue prints presented by Col. Wright in Gen. March's office, it is evident that they were planned for level ground; while at Fort Sheridan, the ground not being level, one end of the building is on flat ground and the other end is erected on stilts 15 feet high.

This committee, therefore, insists that the buildings at Fort Sheridan are not fireproof or fire safe, nor can they be made fireproof or fire safe without the expenditure of more money than remodeling the buildings justifies. We therefore respectfully request the Secretary of War to issue an order, in compliance with his expressed wish to us, to safeguard the soldiers, viz, to prevent the use of the Fort Sheridan structures as hospitals; and, further, this committee requests that it—the committee—accompanied by an official representation of the construction department, selected by Gen. March, and one other expert in construction, selected by the committee, such expert a man not connected with any Chicago enterprise, shall visit Fort Sheridan and examine the hospital buildings now under process of construction, in order to satisfy themselves that the specifications are being carried out to the letter. That Fort Sheridan is too far from Chicago for the mothers conveniently to visit the patients being treated there, because of the time and expense involved.

Therefore we request Surg. Gen. Ireland to make provision for the wounded soldiers from Chicago to be cared for in and near that city.

Respectfully submitted.

*Executive Secretary.*

(Permanent address: 1714 Stevens Building, Chicago, Ill.)

Mrs. FISHER. That was the final result. There are several other points. Would you like to hear them all, Senator?

Senator HARDWICK. I think you might let the reporter put them in with your statement.

(The additional communications referred to, attached to the foregoing letter, are as follows:)

WASHINGTON, D. C., January 13, 1919.

HON. NEWTON D. BAKER,

*Secretary of War, Washington, D. C.*

Sir: I am appending to this recommendation two additional and individual recommendations made by members of the delegation which conferred with you on Friday.

Respectfully,

*Secretary Executive Committee.*

WASHINGTON, D. C., January 11, 1919.

At a meeting of the Woman's War Hospital Committee from Chicago, it was resolved:

1. That the hospital buildings now in course of erection at Fort Sheridan will be "fire safe" if the specifications are carried out to the letter.
2. That this committee, accompanied by an official representative of the construction department selected by Gen. March, and one other expert in construction selected by the committee, such expert a man not connected with any Chicago enterprise, shall visit Fort Sheridan and examine the hospital buildings now under process of construction in order to satisfy themselves that the specifications are being carried out to the letter.
3. That Fort Sheridan is too far from Chicago for the mothers conveniently to visit the patients being treated there because of the time and expense involved.

Therefore we request Surg. Gen. Ireland to make provision for the wounded soldiers from Chicago to be cared for in and near that city.

Respectfully submitted,

MRS. DEWITT GARRISON.  
MRS. GEORGE MATHES.

Mrs. FISHER. As I have said, we were not satisfied with any explanations that we received, and we went back to Chicago, supposing

that Secretary Baker was going to do the best he could for us, and probably order the soldiers to be housed in fireproof buildings. In Surg. Gen. Ireland's office, when Surg. Gen. Ireland said: "What you want is a fireproof building for the soldiers?" Mrs. Sevey said: "We want the best there is," and Surg. Gen. Ireland said: "Well, then, you need a fireproof building." I said: "Are there none to be had?" He said: "Yes; I have recommended several to the War Department." He said: "The Speedway Hospital is one." We got more information in regard to the Speedway Hospital and its excellences in the department in Washington than we did in Chicago. We found out it was very good; and then Mrs. Sevey said: "In God's name, then, why is not this hospital used for the boys, instead of these frame structures, or some other similar hospital constructed on fireproof lines? And Surg. Gen. Ireland threw up his hands. He had no answer.

Now, that is the question that the women of the United States are asking: Why let any little political feuds or fancies or former things interfere and keep our boys from having the proper place?

Senator HARDWICK. The best hospital they can get?

Mrs. FISHER. The best they can get.

Now, to show you, when we went back we had a mass meeting. These protests are coming in. This [indicating package of cards] is one day's protests—"I am in favor of fireproof hospitals for wounded soldiers"—that came in from Chicago in one day, unsolicited, nobody going around on a salary to get them, women bringing them in.

Here is a telegram I got to-day:

Two thousand protest cards signed to-day. Request for speakers from 18 clubs.

That shows that the campaign is still going on, and the women are not satisfied, and they will not be satisfied until they get a fireproof hospital for their boys.

I should like now to have you gentlemen hear the other ladies, who will give you some technical information more exactly than I could do. They are a little bit better versed in such matters. I am simply a newspaper woman and also a mother.

Senator HARDWICK. Let me ask you one question there. I saw or heard in some way in some telegram which one of these ladies sent me that there was some complaint that they were subjected to criticism, or shadowed, or something of the sort, when they came down here about this hospital matter. Do you know anything about that phase of it?

Mrs. FISHER. Yes, sir. We have been interviewed by gentlemen purporting to be from the Department of Justice, asking us questions, inquiring as to our motives, impugning them. I want to say right here and now that the Women's Press paid for all the expenses of this. It paid the expenses of the campaign before, in the "dry" fight. We were the only newspaper in Chicago that did that. Some of these ladies were quite able to pay their own expenses, but we insisted that it was a fight that the Women's Press was making at the request of these women, the heads of various clubs, and we wanted them to be doing this for the Women's Press, to help us in our campaign, and the Women's Press paid all the expenses, and nobody else had any interest in it.

Senator HARDWICK. Has Mr. Edward Hines, or any other person connected with the Chicago Speedway proposition, promoted this propaganda in any way that you know of?

Mrs. FISHER. I think the only thing that has helped is that I read his wonderful article which appeared in the Chicago Tribune; but that is all the help that I have ever had.

Senator HARDWICK. He has never done anything—

Mrs. FISHER. I never heard of the gentleman and never saw him, to my knowledge, or any member of his family.

Senator HARDWICK. You have no prejudice in his favor; you just want the best hospital you can get?

Mrs. FISHER. We want the best fireproof hospital the boys can have.

Senator HARDWICK. Thank you very much, madam, for your statement. Do you gentlemen want to ask this lady any questions?

Mr. ADCOCK. I do not.

Senator HARDWICK. Do you, Mr. Bennet?

Mr. BENNET. Just one question. Dr. Ireland told me that he had made a statement to you ladies—I presume it was to you ladies—that if you so desired he would see that no Chicago soldier was ever housed in this wooden hospital at Fort Sheridan. Is that correct?

Mrs. FISHER. He did; he made that statement, and one of the ladies—I think she is right here—said it was not fair to take better care of our Chicago boys; we were just as much interested in the boy from Peoria as we were in the boys from Chicago; they were all entitled to the best possible hospital accommodations.

Senator HARDWICK. You do not want any American boy put in a hospital that is not good enough for a Chicago boy, do you?

Mrs. FISHER. No.

Mr. BENNET. There is just one other thing. I did, as Mr. Hines's attorney, come to look you up in the New Willard, and from my good appearance you mistook me for a newspaper man? [Laughter.]

Mrs. FISHER. I thought you were a reporter from the Tribune, and I was rather fighting shy of you.

Senator HARDWICK. The committee excuses you, madam, with its thanks for your statement.

(Mrs. Fisher stated that Mrs. Sevey would be the next witness.)

Senator HARDWICK. I forgot to swear the first witness.

Mrs. SEVEY. I wish to be sworn, sir.

#### TESTIMONY OF MRS. GEORGE E. SEVEY.

(The witness was duly sworn by the acting chairman.)

Mrs. SEVEY. Mr. Chairman, I do not know that I can add anything to what Mrs. Fisher has said, except to say that my motives in this matter were purely humanitarian. My attention was called to it first by being called to the telephone and receiving a complaint from a woman with a foreign accent who said she had two boys over on the other side, one of them wounded, and other ill. She wondered if these boys were going to be housed in this building that she said was going to burn up, and I of course could not give her any information. Later on Mrs. Fisher called me, and in view of the fact that I have been interested in all the work that has been going on—

Senator HARDWICK. I beg your pardon; just a moment: Are you connected with the organization of which Mrs. Fisher spoke?

Mrs. SEVEY. Yes, I am. I am one of the committee.

Senator HARDWICK. The executive committee?

Mrs. SEVEY. No; I am just a mother that had a boy in the service.

Senator HARDWICK. But, I say, of what committee are you a member?

Mrs. SEVEY. The Women's War Hospital Committee.

Senator HARDWICK. Oh, yes; the Women's War Hospital Committee.

Mrs. SEVEY. Mrs. Fisher, as I say, called me and asked me if I would go out to Fort Sheridan, investigate the condition out there, and, if I found it warranted a protest, would I join with her committee in protesting against this building? I questioned her very closely as to her motives, not wishing to be identified with any propaganda for any particular building, as I had been reading considerable in the papers, first one side then the other, relative to the Speedway Hospital and the Marshall Field Building, etc. She satisfied me that the hospital situation was a serious one and asked me to go out, and I did.

I found a situation at Fort Sheridan that I could hardly believe existed in a time when we had been at war for 18 months, and we knew when we were sending those boys over there that some of them were going to come back ill, if not wounded; and it occurred to me that some suitable place should have been provided for these boys. I had in mind that there were a great many large buildings, fireproof, in the city of Chicago, and also in the outlying districts of Chicago, such as North Shore, or such as South Shore, that could have been fitted up for hospital purposes. I knew that if I had the authority for 24 hours I could have gone out and found fireproof buildings, and added to that fireproof construction the fire safety which Surgeon General Ireland's office thinks is a very important thing in this matter, and I would have had a safe place for our boys.

I found a hospital out at Fort Sheridan, one end of it on flat ground, the other end of it approximately 16½ feet from the ground. Standing up alongside of it, gauging my own height, and then doubling that again, it occurred to me that it was just about 16½ feet from the ground. The underpinnings were, I think, cedar posts, 8 and 10 inches through the center. On the side were 2 by 4's of pine, very porous and rich in rosin. The clapboards that closed the building in were seven-eighths of an inch pine. This is a piece of the wood, Mr. Chairman [producing sample of wood]. It was not sorted out from any particular spot, but was picked up at random from a great lot of wood that had been sawed off generally.

I am the mother of two children, one a boy who is now out of the service. He was in the service for 18 months. My first thought was, How comfortable would I feel if my boy, injured or sick, should be in those buildings? I do not think I could have quietly and calmly gone about the even tenor of my way with the knowledge that my boy was in a building like this. I think I would have been on my knees to everybody in authority in Washington.

I then investigated the exits of these buildings. I found on the 16½-foot side of the building that there were no exits at all; just windows.

I found that those windows had an old-fashioned plunger clasp, which you have to take hold of in this way [indicating], and then push with all your might, such as we used down in rural Ohio when I was a girl some years ago.

Senator HARDWICK. Not so long ago.

Mrs. SEVEY. Yes, sir. [Laughter.] There were no pulleys and no ropes—nothing whereby a man might use his elbow if his hands were off, or his feet if his arms were off, to push open that window. Latterly we found that it took two men, two big men of full strength, to try and get open the window, and they could not open it at all. Mr. Sollett, the constructing engineer, was one of these men. The windows were stuck down—all stuck down as far as I could see—in this particular building on account of the paint having dried in. Leaving aside the fact that a man could not get out of those windows, there is not any chance for fresh air to get in to sick men. That, to me, is a serious thing, too.

On the well side of the building—Mr. Chairman, may I show you this [producing plan]? This is the outside of this building, of the east building here. This is exactly or approximately 16 feet from the ground, and these 2 by 4's that are here support the building, and they are reenforced by other 2 by 4's put this way, as you see, right there [indicating].

Senator HARDWICK. I see—crosswise?

Mrs. SEVEY. Crosswise; yes.

Senator TRAMMELL. Braced.

Mrs. SEVEY. Then, through the center are the 8-inch and 10-inch posts, I presume, of cedar. They may be slow burning but they do ignite, I believe.

Then the wiring underneath here is just an insulated wire strung from post to post, put through porcelain knobs right underneath here, all in through here [indicating]. There is also dividing off the partitions here, and then in thirds through the under part of the building, plaster board. I asked Mr. Sollett if that plaster board would not burn. He tried to tell me by taking an incinerator, one of these blowpipes—gas pipes—and putting it to the center of the board. I asked him if he would not put it to the side of the board and see if it would not ignite, which he refused to do. I then asked if he would give me the blowpipe and allow me to touch it to any piece of this wood, and he refused to do that.

Coming to the exits here, there are two exits on this side of the building, two stairs that come down from the porch and then return back again—pass themselves a long way. They drop into a well, as we called it here—an exit. This exit is closed entirely by this board fence that is around through here. There is not even that much opening now to this particular well space; there is just a door.

I asked Capt. Ludwig how it happened that this exit, the only exit in that wing of the building for men, if they got down here in this well, how they were going to get out. He replied that they were going to arch this place now. I asked him if it was specified in the plan of the building originally, and he told me that the detail was left to him. I called his attention to the fact that this had all been painted and apparently finished—a finished piece of work, with doors hung on hinges, etc.—and I asked him if it was fair to presume

that this expense of finishing all this work was going to be undone by arching this out, and what was the reason for arching this, and what called for this arching. He said so that the men could get out of the burning building and so that firemen with fire apparatus could get in. I asked him then if it was not a fact that this had been decided upon since our return from Washington. He did not quite reply to my question, but just smiled. I then told him that our trip was worth the effort if we succeeded in getting that much done.

Now, then, the other day a gentleman called me on my phone and told me that he had left for me at the Women's Press a paper. May I read this paper and leave it? It is addressed to Mr. Lucius Teter, of the Chicago Savings Bank & Trust Co., 7 East Madison Street, Chicago. Mr. Teter, as I understand it, is the retiring president of the chamber of commerce. This is a photographic copy.

Mr. ADCOCK. The association of commerce.

Mrs. SEVEY. And it is signed by the commissioner of buildings, Charles Bostrom. It confirms my statement made to Secretary of War Baker.

Mr. ADCOCK. To save duplication, I think that letter is in the Stotesbury report.

Mr. BENNET. Oh, no; there is no such letter as that in the Stotesbury report.

Mr. ADCOCK. There is a letter from Mr. Bostrom in the record.

Senator HARDWICK. Maybe this is from the same man; but suppose you read it, if you like.

Mrs. SEVEY. My argument against these buildings was the fact that the first floor is 16½ feet from the ground and the second floor is approximately 3½ stories from the ground. No well man could jump and get out of that building with any degree of safety. My argument also was that in case of fire—as fire does not creep but comes with a roar and an onrush—the smoke generated from these inflammable pieces of wood and the roar of the fire would make it impossible for firemen to get within 300 feet of that building. Both the smoke and the heat would keep them from getting these sick boys out of that building. That is confirmed by this letter to Mr. Teter:

DEPARTMENT OF BUILDINGS,  
Chicago, December 21, 1918.

Mr. LUCIUS TETER,  
7 East Madison Street, Chicago.

DEAR SIR: In response to your recent request, as well as to the request of several other prominent business men of this city, I have visited the homes or hospitals for wounded soldiers now under construction at Fort Sheridan for the purpose of forming an opinion as to their safety from fire hazard.

I find after a brief observation of the general construction and the material used for the erection of these buildings and the limited area of the ground they are situated on that there exists a great fire hazard even to this extent: That if a fire occurred during a dry spell, especially if accompanied by a wind of any consequence, it would soon pass beyond control and would sweep all the structures before it. Not only that, it would create such a great volume of dense smoke that it would probably be impossible for attendants to assist patients to leave the adjoining buildings that were threatened with fire.

I am glad that my just ordinary common sense on this matter has been verified by an expert.

I further want to state that I do not feel any frame structure is reasonably safe for hospital purposes where more than one story high and more than 4,500 square feet in area and is nearer than 200 feet to any other frame building.

I will advise you further that no frame buildings can be erected within the city of Chicago for hospital or similar purposes. We require exterior brick walls for buildings of two stories or less in height, and any structure above this height must be of fireproof construction.

The reason a superior form of construction is required for hospital buildings is on account of the helpless state of the occupancy, as the greater number of occupants would be unable to leave the building without assistance.

Respectfully submitted.

CHARLES BOSTROM,  
*Commissioner of Buildings.*

My argument further against the use of the Fort Sheridan buildings is this: The construction department interjected what they thought was a pretty good reason for prevention of fire, and that is their wall, their fire wall, and their fire stops. I am not a building constructionist. I just have a little knowledge of building. I think if I were going to put up a home or a garage, I would supervise its construction, and I would not erect it on stilts, and I would know, as far as a fire wall is concerned, that if the underpinnings of the wing of this building that is adjacent to the fire wall were to burn away, that wing would drop and pull with it the fire wall. That was my argument against the fire wall as regards safety. I could not see wherein there was any common-sense reason for that fire wall being a means of safeguard. Then, too, supposing the underpinnings did not burn away and fire started on the second floor or the first floor. The rush of that flame would overleap that fire wall and ignite on the other side. That did not give us any assurance that the building was safe.

Senator HARDWICK. Let me ask a question there, madam. You seem to be interested in the hospital situation. Do you know anything about this so-called Speedway project?

Mrs. SEVEY. No, sir; I do not even know where Maywood is. I have never laid my eyes on the Speedway hospital.

Senator HARDWICK. What you are advocating is the general principle of having fireproof hospitals?

Mrs. SEVEY. I advocate a safe hospital—the safest we can furnish to the men that fought for a safe democracy.

Senator HARDWICK. Even if it costs a little more?

Mrs. SEVEY. I was on the Woman's Liberty Loan Committee in Chicago, occupying the position of vice chairman of the Women's Liberty Loan Committee. I put 20 hours a day into my work as a volunteer worker during the third and fourth liberty loans. My department, over which I had the honor of presiding, was responsible for \$16,000,000 worth of liberty bonds sold. I will go out and work 20 hours a day for the next 10 years if the Lord will be good enough to allow me to live that long to provide safe places for our boys. I think the people of this country have come to the front beautifully. They have not questioned. All they want to do is to have safe places for our men.

Senator HARDWICK. I say, you would provide safe places for them even if it cost a little more than these temporary structures?

Mrs. SEVEY. I would.

Senator HARDWICK. You would not hesitate on that account?

Mrs. SEVEY. Not at all.

Senator TRAMMELL. Was it claimed on the part of any of the representatives of the War Department that they had certain portions of these hospital facilities there that were fireproof, or not?

Mrs. SEVEY. No, sir; they claimed that they were fire safe.

Senator TRAMMELL. The reason I asked that question was that there was some statement made here in regard to that. I do not remember just who made the statement.

Mrs. SEVEY. They claimed that they were fire safe.

Senator TRAMMELL. Did they claim, in discussing the matter with your committee, that they thought they had sufficient quarters for those who were more incapacitated to occupy that were fire safe? Was that their contention?

Mrs. SEVEY. I do not think, sir, that I quite get your meaning.

Senator TRAMMELL. I say, did they claim that they had sufficient quarters there to take care of those that were more incapacitated to make them safe, and that they would put the wounded and the sick that were able to get out in these more inflammable buildings? Did they make a contention of that kind?

Mrs. SEVEY. No, sir; they did not; but Maj. Billings, in Surg.-Gen. Ireland's office, made this statement to counteract the position that we had taken against putting wounded men in these buildings. He said that he would much rather have wounded men in these buildings than men ill from pneumonia. I assume from that that the change of atmosphere and the change in temperature in taking the men out if they were pneumonia patients would be equally as bad as the chances for wounded men to get out. Does that answer your question?

Senator TRAMMELL. Some one here stated that they had sufficient space there in fire-safe buildings, probably, as the language was used, to take care of those that were not able to make exit themselves in case of a fire, and that those that were able to get out would be housed in the other buildings.

Mrs. SEVEY. But the buildings are all joined together by ramps; and if one part of the building should ignite it does not seem likely, from what the commissioner of buildings says in this letter, that there would be any chance to save any of the other buildings; so I can not see wherein any of the men might be safe that are in any part of these inflammable buildings.

Senator TRAMMELL. I do not know myself. I based my question upon some other statement that has been made here by a witness whom I do not remember. I do not remember just who it was that made the statement.

Mrs. SEVEY. It does not take the view point of an expert to decide upon a building as being a very unsafe place to house sick or wounded men.

Senator HARDWICK. Did I understand you to say that you came down to Washington with this committee of ladies?

Mrs. SEVEY. This previous time?

Senator HARDWICK. Yes.

Mrs. SEVEY. Yes; I did. I was coming East on personal matters, and when Mrs. Fisher asked me to come with her committee I told her I was coming East, and that I would be very glad to give my services, and I offered also to pay my own way. In fact, I insisted, but she would not hear to it, because she said it was a committee formed by the Women's Press; that the Women's Press was going to fight this.



Senator HARDWICK. And the ladies were getting up contributions to defray these expenses?

Mrs. SEVEY. I do not know; I did not defray any part of my expenses, except added matters.

Senator HARDWICK. Mrs. Fisher provided for it?

Mrs. SEVEY. Mrs. Fisher provided it.

Senator HARDWICK. Now, let me ask you this question: Did you have any unpleasant experiences in Washington about agents of the Department of Justice or anybody else questioning your motives?

Mr. SEVEY. No; I did not.

Senator HARDWICK. You heard Mrs. Fisher's statement about that?

Mrs. SEVEY. But they did not come to me that I know of.

Senator HARDWICK. They did not come to you?

Mrs. SEVEY. No. There were newspapers that called me up and asked me concerning our errand here and our motives, and I declined to answer each time. I said if there was any information to go to the newspapers it should go from the Secretary of War; that we had come down here to see the Secretary of War, and if he wished to state our errand he was at liberty to do so; I had nothing to say.

Senator HARDWICK. Very well. Gentlemen, are there any questions to be asked this lady?

Mr. BENNET. Just one question. You seem to be, if you will permit me, a woman of a rather practical turn of mind. Are you connected with any business?

Mrs. SEVEY. I am, in the sense that I look after my family's affairs in the absence of the men at war.

Mr. BENNET. Does that include building or business?

Mrs. SEVEY. It is a business.

Mr. BENNET. What is the business?

Mrs. SEVEY. The supply business. It is not in the State of Illinois, however.

Mr. BENNET. How many persons do you employ?

Mrs. SEVEY. We have from time to time anywhere from 500 to 1,000 men.

Mr. BENNET. Do you have anything like general supervision, executive administration of the business?

Mrs. SEVEY. No; I just sign the pay roll and look over the accounts and receive an occasional dividend check; that is all.

Mr. BENNET. You never tried touching a match to that rosin in that piece of wood, that fir that you showed the committee? You do not know what the result would be if you should touch a match to it?

Mrs. SEVEY. Why, it would ignite, of course. All over that building, before the paint was put on, I happened to lean up against the building, and I spoiled a perfectly good suit by leaning against that building, getting rosin on my coat, and my gloves were covered with rosin which oozed out from the lumber. I avoided it afterwards.

Mr. BENNET. What did you say to the Surgeon General when he made the rather naive suggestion that he would not put any Chicago boys in that structure?

Mrs. SEVEY. Of course, that was ridiculous, you know, to safeguard only Chicago boys. Maybe the other fellow from down at Podunk, Ill., might have put up the best fight. Why not give the fellow that put up the best fight an opportunity to get well, too?

**Mr. BENNET.** You were not making the fight alone for Chicago soldiers, then?

**Mrs. SEVEY.** Not at all.

**Senator HARDWICK.** Are there any further questions, gentlemen? If not, the committee excuses you.

**Mrs. SEVEY.** Mr. Chairman, I hope it may be read into the records of this committee that at least my motives were honorable, and that I am not in the employ of anyone.

**Senator TRAMMELL.** The committee feel that all of you ladies were prompted by the highest of motives.

**Senator HARDWICK.** Neither Mr. Hines nor the backers of this Speedway project have bribed you all?

**Mrs. SEVEY.** I have lived in Chicago for 20 years, and I have never met any member of the Hines family, I am sorry to say.

**Senator HARDWICK.** You have no propaganda in their behalf in this matter?

**Mrs. SEVEY.** None whatever.

**Mr. BENNET.** Do you occupy any political position out there?

**Mrs. SEVEY.** Oh, no, sir.

**Mr. BENNET.** Are you not attached to one of the parties?

**Mrs. SEVEY.** No, indeed, not at all; I am not so honored. I am very proud of the party that I voted for. I hope that they are going to be able to maintain the splendid record that they have set during this war. [Laughter.]

**Senator HARDWICK.** We can see great potentialities in the situation. Thank you very much.

**Mrs. SEVEY.** Can I say something that we can take back to our women in Chicago?

**Senator HARDWICK.** You can tell them that this committee are going to try to find out the truth of this thing if they can; that they are going to see if they can not remedy this hospital situation by providing suitable quarters for the men.

**Mrs. SEVEY.** But in the meantime our men are being endangered by being put in there now. There are over 1,500 men, as I understand, in that building now, Mr. Chairman. Suppose a fire were to start this morning or to-night—what about it?

**Senator HARDWICK.** Well, the Secretary of War, of course, is responsible. The committee can only enact legislation. There has got to be a certain flexibility of administration that is lodged in the department, and we can only advise and suggest and enact laws. We are going to try to give them money enough to give our soldiers safe hospital quarters; then it will be up to the department.

**Mrs. SEVEY.** But can it be done soon?

**Senator HARDWICK.** As soon as we can do it; right away, I hope.

**Mrs. SEVEY.** It seems too bad that the mothers who have had 18 and 20 months of war and anxiety should have more added to their already heavy burdens.

**Senator HARDWICK.** We agree with you thoroughly. We are going to do all in our power to help the situation.

#### TESTIMONY OF MRS. WILLIAM SEVERIN.

(The witness was duly sworn by the acting chairman.)

Senator HARDWICK. Please give the reporter your name, your official connection with this hospital matter, if any, and your interest in it.

Mrs. SEVERIN. My name is Mrs. William Severin, of Chicago. I am a member of the Chicago Women's Hospital Committee and executive secretary of the delegation to Washington.

Senator HARDWICK. Suppose you make just such a statement as you like about these hospital matters, so far as you know about them.

Mrs. SEVERIN. I have been an untiring volunteer worker for humanity during the last 22 years of my life. I have served as president of the seventh congressional district of the Illinois Federation of Women's Clubs, for two years on the State board as director by virtue of that office. I served for two years as chairman of the civil-service department of the Illinois Federation of Women's Clubs, and it was a function of my office to visit all institutions in our county and State of Illinois under the civil service. It has been brought to me very forcibly that it was necessary for some of us at times to investigate not only as a committee but as private citizens. We have partial suffrage in Illinois, and it was because of the need of investigations of this kind that women desired the vote.

My attention was drawn to the buildings erected at Fort Sheridan early in November. I live on the North Shore, east of Sheridan Road, about 125 feet from Lake Michigan. I happened to drive through Fort Sheridan, and I saw what, in my estimation, was simply a network of a structure. I inquired, and was told that this structure would be a hospital to house the wounded boys who were coming from over there. I took it for granted, Mr. Chairman, that it would be concrete or made of cement. I know nothing about construction, only as a laywoman. I know the difference between a fireproof and a wooden building.

My attention was drawn to the inflammable structures at Fort Sheridan, I think, after Christmas. A local paper on the North Shore had a picture of Mrs. Sevey, I think, and one of those structures, "the North Shore leader," and a very good story in regard to a protest that was being raised generally. I am at the present time the president of the Illinois Women's Athletic Club, and also president of the Republican Women's Association of Illinois, and vice president from Illinois of the National Republican Women's Association. I was a member of the national Republican women's campaign committee appointed by Chairman Willcox in 1916. Because of this, it is my duty to canvass our precincts and wards, and, if possible, to give a great deal of my personal attention. I found that a great many women in our so-called river wards in the congested district of the city of Chicago had some information in regard to the structures at Fort Sheridan, and in the settlements the question came to me, when I asked for a canvass of the precincts; they did not seem to be so interested in politics as they were in the fact that the boys were coming home, and that they wanted a fireproof hospital in Chicago.

Again, my attention was drawn to this building, and I went out. I went out alone.

Senator HARDWICK. To Fort Sheridan?

Mrs. SEVERIN. To Fort Sheridan; yes, sir. The building was above the second story, this particular building that I saw that day. It

was very uncomfortable to get there, and I could not get around very much, but I inquired if they were to be stone buildings, and one of the men said: "No; they are just wooden buildings." I said to him: "Are they not going to have an outer coating of cement?" He said: "No; just paint." I think he was a foreigner, but he understood what I said, and seemed to know that the buildings were to be constructed of wood.

I happened to meet Mrs. Fisher. My office, I may say here, is in the Stevens Building, the office of the Illinois Women's Athletic Club. It is a nonpartisan, nonpolitical organization. Democrats and Republicans, Protestants and Catholics, Jews and Gentiles, business women, society women, poor women, and professional women are members of this organization; and Mrs. Fisher, in the elevator, told me that the Women's Press had been appealed to by the Chicago Women's Club and other clubs, and I said: "Why, yes; I was about to call up your office and voice our protest also."

A few days alter I happened to go into a meeting of the Chicago Political Equality League, of which I am a member. This meeting was held on December 28, I think. I am not quite sure about the date, Mr. Chairman. At least it was on a Saturday afternoon, and I happened to have a little leisure, and the women were very much wrought up about this condition, and many of the individuals were signing petitions to protest against the structures at Fort Sheridan, and I understood that Mrs. Fisher had presented a protest.

A few days later Mrs. Fisher called me up and said to me: "You, of course, have been appointed a member of the women's hospital committee. Will you come into our press room and let us talk over this matter?" and we did. After that Mrs. Fisher called me up and asked me if I would join a delegation to Washington to protest against the wooden inflammable structures that were being erected at Fort Sheridan, and I said I would. After talking it over with my husband, he permitted me to come here to protest. I was the woman, Mr. Chairman, who could not accept Surg. Gen. Ireland's proposition, if you please, to house the Chicago boys in stone buildings. I represent the boys from Illinois and from other States in my official capacity, and for that reason I presented this matter to you.

I wish to substantiate also both Mrs. Stevens and Mrs. Fisher in their statement in regard to the final report of the committee. I presented it to Dr. Keppel. Dr. Keppel assured me that he would deliver it to Secretary of War Baker, and I told him that the Chicago Women's Hospital committee would do all in its power for the comfort of the boys at Fort Sheridan—those who were housed in the stone buildings. A large number of men who are now, some of them, convalescing are in those buildings. I can answer that question because I visited those wards.

I feel that the Surgeon General and his staff have done everything that they could to facilitate matters. I am sure that the administration—as a Republican I may say that—have done all in their power, and I did not come here in a spirit of criticism. I feel that I want to voice the sentiment of the women I represent, and many are women who are unable to express themselves; they are of foreign birth and are foreign speaking, and somehow we understand them, possibly, better than any other women. But the idea is this, that the

women of Chicago are up in arms; and they are not interested in any other hospital. I am not interested in any other hospital.

Much has been said about the Speedway. I have never seen the Speedway as a hospital.

I wish also to state that I was the woman who discovered the little spring catches, and I tried to raise the window. I was unable to raise it. I remember those catches in my mother's time and my grandmother's time. I can remember a long ways back, and I remember that we had some difficulty in opening these windows, and I have not seen any catches of this kind for over 20 years. I assure you that the landscape is beautiful and the Lake Michigan breezes are fine, but they will not help the boys out there unless those windows are so constructed that they can be raised easily with one hand, because I do know that the boys who are to be housed there—if they are to be housed there, and I hope not—should have at least God's fresh air and sunshine, if nothing else.

I believe these buildings are absolutely impossible as constructed. The very idea of bringing boys suffering from shell shock into those buildings, where they are confronted at once by rows of pails filled with water, and all sorts of safety devices, with a hose cart at the end of the corridor, is enough to frighten anyone.

I was told that smoking was prohibited. Gentlemen, I represent manufacturers and consumers, employers and employees. I am absolutely against prohibitory measures generally. I think men should be so regulated, and women, that they may eat and drink regularly; that they should be permitted—men should be permitted to smoke—and I believe that it would be taking away a great comfort from the boys if smoking is prohibited.

Senator HARDWICK. Pardon me, but you are not a very strong prohibitionist?

Mrs. SEVERIN. I am not a prohibitionist; absolutely not. I am against prohibition. I represent the Women's Association of Commerce—and I have here an account of the session that was held, which is apropos—interested in several investments for the women; so that not only am I interested in the housing of the boys safely but I am interested in human beings generally.

I do not know that there is anything else. If there are any questions, I will answer them.

Senator HARDWICK. There are one or two questions I would like to ask you. Do you know anything about this thing that Mrs. Fisher spoke about—the Department of Justice having officials call on your members?

Mrs. SEVERIN. Yes.

Senator HARDWICK. And inquiring what you are doing down here!

Mrs. SEVERIN. Yes.

Senator HARDWICK. What do you know about that?

Mrs. SEVERIN. A gentleman called at my home a number of times, stating that he represented the War Department. I was not in my residence. I was at my office.

Senator HARDWICK. Do you remember his name?

Mrs. SEVERIN. Mr. Raymond, or Railin. He said that he represented the Department of Justice. He waited for me. I made an appointment with him in my office, and he, so to say, "put me on the

carpet." He asked many impertinent questions, and I finally thought—I asked him if he was a reporter, and he said, "I have been on the newspapers, but I am representing the War Department, and this is my credentials," and he did show—I did not have my glasses with me at that particular moment, but I could see "War Department."

Senator HARDWICK. What was his name, Ray or Raymond, you say?

Mrs. SEVERIN. He wrote his name down on a piece of paper so that I could remember it. His address was 216 East Ohio Street.

Senator HARDWICK. Washington?

Mrs. SEVERIN. Chicago, Ill. His name is either Raymond or something on that order.

Mr. ADCOCK. He is the officer in the central headquarters of the War Department.

Mrs. SEVERIN. He seemed to have an idea that possibly I had an ulterior motive. He was in my office, as I say, and these dodgers were lying about, and I drew his attention to this paragraph [indicating], and he seemed to be satisfied that possibly I was a decent, reputable citizen, and had a right to an opinion. That is a reprint from the Chicago Herald. I suppose those are my credentials.

Senator HARDWICK. Yes. You can put that in the record with your statement, if you desire to.

Mrs. SEVERIN. He was courteous.

(The extract referred to is here printed in the record, as follows:)

[From Chicago Sunday Herald, Aug. 5, 1917.]

**A WILLING WORKER FOR HUMANITY WHOSE REWARD HAS BEEN THE JOY OF SERVICE.**

[By Jessie Ozias Donahue.]

To prove the fallacy of the statement that money is the inducement which prompts one to great efforts, one has but to cite the personal endeavor of a host of women workers of the present day. Chicago women have the reputation for doing things and doing them well. It has yet to be said they do them only for compensation.

Men enter politics and receive remuneration commensurate with their efforts. In all public affairs men—the majority of men—expect to be paid for their work, for the reason, doubtless, that they have families dependent upon them.

The time is drawing near when women, too, will be regarded as providers, and then naturally will come about the wage plan for services rendered, but at present one looks aghast at the woman who admits that she profits by her efforts at election time, or who gains a livelihood through the medium of charity work.

Woman somehow is expected to work for nothing—it is traditional—and we have something vast to overcome in our old-fashioned vision before we can calmly grant the right of salary to the unprofessional woman worker.

Mrs. William Severin, of Rogers Park, is one of Chicago's women who does things for the glory of it—the need of it, and the satisfaction derived from the accomplishment of something worth while is all the reward she values.

No salary or any remuneration whatsoever during her years of service has been received by Mrs. Severin. Yet she has held posts of honor in the Wabansia Relief Society, Wicker Park Woman's Club, Esther Falkenstein Settlement, St. Mary's of Nazareth Hospital, Seventh District Illinois Federation of Women's Clubs, Edgewater Drama Study Class, Illinois Colony Club, National Ship of States, Woman's Association of Commerce, Woman's Trade Union League of Cook County Clubs, Woman's Protective Association, Illinois Republican Woman's League, Rogers Park Day Nursery, and the Republican Woman's Association of Illinois.

Of this latter organization, which she founded, she is now president, and has lately been appointed, at the request of Mrs. Carrie Chapman Catt, Chicago suffrage speaker for the New York suffrage campaign. At the recent convention of business women, held at the Congress hotel, she was appointed chairman of the national advisory council of the newly organized Women's Association of Commerce of the United States of America.

All this without salary or perquisites. What man would do it? And yet, she, a Chicago woman, able to handle big problems in civic and community work, is not enfranchised. She, like other Illinois women, has not equal rights with men, has no voice in the Government other than partial suffrage in that she can vote for President, and, although she worked successfully for the election of Gov. Frank O. Lowden, was unable to cast her vote for him.

This inconsistency on the part of the Government Mrs. Severin declares is hard to bear. She therefore has added one more bit to her everincreasing tower of duties and during September will make a 10-day tour of New York State, speaking in behalf of the Susan B. Anthony amendment and the immediate enfranchisement of the women of the United States.

Americanization will be her theme, and she will carry her message into the rural districts as well as the cities. She will talk to the masses, will address the foreign-born citizens and will look for the same results in the East which have been accorded her efforts in the Western States.

She has also enrolled as a speaker for the Illinois division, National Council of Defense, under Mrs. Kellogg Fairbank, and will do her bit in the way of woman's war work as consciously as she has entered the field of political and suffrage.

For 20 years Mrs. Severin has been a tireless worker in the suffrage cause as for the welfare of humanity. In September, 1914, she led a delegation of 21 women in the convention at Peoria and worked under Mrs. Grace Wilbur Trout, president of the Illinois Equal Suffrage Association, for the indorsement of suffrage in our State.

During the time she served as president of the seventh district, Illinois Federation of Women's Clubs, she saw the great need of the ballot for women in investigating State and county institutions. She succeeded in winning the respect and confidence of the powers at that time in her welfare work, and through her efforts improvements were made in many of the institutions under surveillance.

In 1911 she was elected chairman of the civil-service department of the Illinois Federation of Women's Clubs, where she made her great fight for merit and efficiency as against spoils politics. She organized the first social club in Chicago for charitable purposes in 1892. This organization still exists. She was chairman of the first public card party ever given in the city the following year, proceeds of which went to supply linens for St. Elizabeths Hospital.

Mrs. Severin was among the first to advocate moving-picture shows in churches and schools as a means of higher education, believing them to be within the reach of all and confident in their adaptability to any desired subject.

Movements Mrs. Severin favors are those for colonizing the feeble-minded and against too strict censorship of moving pictures. In a word, is an advanced thinker with the courage of her convictions. She is confident the citizens of Illinois will rally to the support of the constitutional convention and looks for the passage of the Susan B. Anthony amendment as a war measure by the present Congress.

Faith in the men at the helm Mrs. Severin has, but she demands recognition for her sex, believing that municipal housekeeping, like the domestic task, can be more ably handled by means of partnership than by bachelor-hall methods.

The CHAIRMAN. What was his idea in talking to you from the War Department?

Mrs. SEVERIN. He wanted to know who paid my expenses to Washington, and I told him that I had the supreme satisfaction, for the first time in my life, of having my expenses paid by the women's press; that I had campaigned, and politically; and I had never been feed, and I had never had a campaign fund; I had never been compensated, but I hoped that some day I would, when women received a vote generally, so that they would have a voice in the selection of their candidates.

I wish to say at this moment that I resigned as president of the Twenty-fifth Ward Women's Republican Club because I had no voice in the selection of the candidates I voted for. I am nonpartisan now—locally. [Laughter.] Are there any other question?

Senator HARDWICK. I have been very much interested in this. Can you tell me what he said? He asked you about who paid your expenses?

Mrs. SEVERIN. Yes.

Senator HARDWICK. Is there anything else that he asked you, this agent of the department?

Mrs. SEVERIN. I did not think it was anything very complimentary to me to have the Department of Justice asking these questions through this agency. I hoped that I would have a reply from Secretary of War Baker.

Senator HARDWICK. Did he say anything to you, this man, about the Speedway project?

Mrs. SEVERIN. He asked me if I was interested in the Speedway.

Senator HARDWICK. He did?

Mrs. SEVERIN. I said I was; that we had automobile races there, and before that when we had horse races.

Senator HARDWICK. But as to a hospital project, you were not?

Mrs. SEVERIN. No; absolutely no.

Senator HARDWICK. His idea seemed to be that you might be making this trip in the interests of the Speedway project?

Mrs. SEVERIN. I do not know what his idea was.

Senator HARDWICK. Was that the impression he made on your mind?

Mrs. SEVERIN. Yes.

Senator HARDWICK. And you told him that was utterly out of the question?

Mrs. SEVERIN. I told him so, and I thought he was convinced.

Senator HARDWICK. So that you did not have any more visitations?

Mrs. SEVERIN. I said that Mrs. Fred R. Hunt was interviewed. In fact, she told me so, and that she was called up—no; Mrs. De Witt C. Garrison was interviewed, and Mrs. Hunt was called up—I am not quite sure.

Senator HARDWICK. By this same gentleman?

Mrs. SEVERIN. I do not know. From the War Department. I can not swear to it, whether she was interviewed or not, Mr. Chairman, and I do not want to say anything that I can not back up.

Senator HARDWICK. Do you know Mr. Hines?

Mrs. SEVERIN. No, sir; I do not."

Senator HARDWICK. Has he anything to do with your activities in this organization?

Mrs. SEVERIN. No, sir. I have never met Mr. Hines; I do not know Mrs. Hines; I have not seen the Speedway hospital. I have had the confidence and the respect of the people of the city of Chicago and of Illinois.

I wish to say that my father built the first immigrant house on the West Market in 1852, and during my young life I have heard many stories about the Chicago fire, and my father opened his doors and took the people in and housed them without remuneration, and the stories of that time were impressed on my young mind; and the



Iroquois fire went to the hearts of all women, and we simply, in Chicago, are afraid of fire.

Senator HARDWICK. What I want to know particularly, so far as you know or knew, no party back of any particular hospital project in the city of Chicago was responsible for the action of the women?

Mrs. SEVERIN. Not any.

Senator HARDWICK. They were devoted to a principle? They wanted safe fireproof hospitals for these boys?

Mrs. SEVERIN. Yes. No matter where they are located. We do not care where they are located. If it takes more money, we are perfectly willing to go out and sell more bonds. It has been my privilege to speak in the industrial plants, and I have been speaking on Americanization, and during the war on account of my relation with the women and these organizations in the city of Chicago it was my privilege to sell bonds.

Senator HARDWICK. I think we understand, now. Gentlemen, are there any further questions?

Mr. ADCOCK. I wanted to inquire, there have been so many innuendos. I take it there is no charge that my client had anything to do with the investigations of the Department of Justice or the War Department?

Senator HARDWICK. No; the reason this was done was on account of the newspaper publications.

Mrs. SEVERIN. No. I have had the most courteous treatment in Washington; but I admit, Mr. Chairman, that I was annoyed when this man persistently called up. I made no note, but I know that the attitude was not as pleasant as that which I had a right to expect.

I am simply interested in fireproof hospitals for the boys, and I do not think that the Fort Sheridan hospital is the kind that should house the boys at the present time.

I took a delegation of women out with me, Mr. Chairman, women who went out there uninstructed, uninformed. If you would like their depositions, I would be very glad to furnish them. They were women who are mothers, and who are civic workers, and professional women.

Senator HARDWICK. If we decide we want their testimony, we will call for it. We thank you very much for your statement before the committee, and we excuse you with our thanks.

Mrs. FISHER. Senator Hardwick, may I be pardoned——

Senator HARDWICK. Yes.

Mrs. FISHER. Will not this committee go on record as clearing our members of any imputation against them? We would like to go home as having a clean bill of health.

Senator HARDWICK. So far as you ladies are concerned?

Mrs. FISHER. Yes.

Senator HARDWICK. So far as I personally am concerned, and I am sure so far as the other members of the committee are concerned. I have no doubt that the ladies who are interested in this matter are interested in it from entirely proper motives, and there is no improper motive in any respect.

Mrs. FISHER. We would like to have an official statement from the committee.

Senator HARDWICK. I do not think there is any question on that subject. I have none, and I am sure my colleagues have none.

Mrs. FISHER. Thank you, Mr. Chairman.

Senator HARDWICK. Now, have you another witness?

Mr. BOUVIER. I want to recall Col. Wright for a few questions.

Senator HARDWICK. I do not know that we want to call Col. Wright over here. We certainly do not want Col. Wright to go over all his testimony again.

Mr. BOUVIER. No; but there are specific details that have not been developed at all in the line of the materiality of the testimony. He is here.

Senator HARDWICK. Well, I guess we will hear Col. Wright on any new matters, but we will not recall him for any reexamination.

Mr. BOUVIER. I do not want to recall him for any reexamination.

Senator HARDWICK. If we do that we will never get through. Is it to develop new facts that have not heretofore been developed?

Mr. BOUVIER. Yes, sir; it is to develop those facts specifically of warning and the imputation of assumption of their own responsibility. That has only been gone into slightly in respect of one witness, and that invited the criticism of Senator France. It is to supply the details as distinguished from generalities that I wish to recall Col. Wright and interrogate him.

Senator HARDWICK. Have you read Col. Wright's testimony?

Mr. BOUVIER. Yes, sir.

Senator HARDWICK. I think it was specific on that matter.

Mr. BOUVIER. No; it was not specific; and I do not think it will take over 10 minutes.

Senator HARDWICK. We will hear him.

#### TESTIMONY OF COL. C. C. WRIGHT—Resumed.

Mr. BOUVIER. I will try to be just as direct as I can. Col. Wright, as I understand it, your contact personally with any of these gentlemen representing the Maywood proposition was on or about the 14th day of August. Is that correct?

Col. WRIGHT. That is correct.

Mr. BOUVIER. Who were the three that met in Col. Gunby's office or, if there were more than three, who were they?

Col. WRIGHT. There were Mr. Erskine, and Col. Dickinson, from the General Staff, and then an appointment was made that afternoon in my office.

Mr. BOUVIER. Who were present in the afternoon in your office at the appointment?

Col. WRIGHT. In my office—Mr. Erskine, Mr. Shank, and Mr. Wheelock.

Mr. BOUVIER. Did you have any further interviews with these same gentlemen, Shank or Erskine, during the course of your conference with them? Did the personnel vary? Was Mr. Erskine alone or was it Mr. Erskine and Mr. Shank on the succeeding days?

Col. WRIGHT. My interviews were almost altogether with Mr. Erskine.

Mr. BOUVIER. That is, after he first came in with Mr. Shank?

Col. WRIGHT. Yes.

Mr. BOUVIER. Now, just briefly state in a few words, giving the dates for them, as briefly as you can, exactly what admonition you

gave to either Erskine or Shank with respect to going ahead on their own responsibility. Give the dates and the places as near as your recollection serves.

Senator HARDWICK. Have you not been over that before?

Col. WRIGHT. I do not recollect. I made a general statement, but whether it covered these facts or not I do not know.

Mr. BOUVIER. It did not cover those details.

Col. WRIGHT. I have not looked over this record, and I can not recollect.

Senator HARDWICK. I think you did; but if there is any doubt about it, go ahead.

Col. WRIGHT. On the first date, August 14 or 15, at the appointment in my office, I stated specifically to Mr. Shank and Mr. Erskine that the construction division had absolutely no authority in itself, and that before any work could proceed it must be approved by the Secretary of War, and my desire in clearing this up was so that they could take such steps as were right, so that I could present it for approval to the Secretary. They had nothing to present.

Then on Saturday, August 18, Mr. Erskine came into my office with Mr. Jacob Newman and said that he understood this contract would have to be made and approved by the Secretary, and asked if it would not be possible for Mr. Newman to sit in with our contract department and go over it; and then I took Mr. Newman in and introduced him to Col. Shelby.

Mr. BOUVIER. That was on the 18th?

Col. WRIGHT. On the 18th of August. Between the 18th and the 31st I had conferences almost every day with Mr. Erskine.

On the morning of the 31st of August he called up my office and was very much perturbed because the papers had not yet been prepared for the Secretary's approval and asked if I would not go with him personally to the War Department and see Secretary Baker and submit to him the analysis made, and explain what the construction division had done, and determine whether or not this was a feasible project or not. We went up there and were unable to get Secretary Baker, and we did talk to Dr. Keppel, the Third Assistant Secretary of War, and he asked me what we had done, and I told him frankly that the proposition had come in in very crude form and required a lot of analysis; and Dr. Keppel said to Erskine, "We simply can not do a thing with this until those papers are formally presented for approval." Then Erskine came out to me and said, "I am going to get into Mr. Baker's office, somehow, and I think I will go over to the White House and see if I can not arrange for a hearing," and he went across the street to the White House, and after a little while he came back, and he said: "I guess I will not see the Secretary, because he left for Europe last night."

I returned to my office.

Then that afternoon was the time when this contract was signed by Mr. Shank, and they were told then that this report had to go to the Secretary for his approval. That was Saturday.

Monday was Labor Day, and either Tuesday or Wednesday Mr. Erskine came in again, also very much perturbed because we had not gotten these papers to the Secretary; and finally, on about the 4th, he came in and told me that Mr. Shank was going ahead with the work.

I told him that he was taking a long chance, because no authority had been obtained. Mr. Erskine said: "Well, we have arranged that. They are going ahead, and if this is not approved, we will split the expense just the same." Those were his exact words.

Then it was on the 10th or 11th of September that I got the wire from the Shank Co. saying that they were going ahead "as ordered." Well, I had no authority to stop them, any more than I had authority to start them, so that I simply wired back that no work had been ordered in the Chicago district.

Mr. BOUVIER. Those two telegrams have already been referred to?

Col. WRIGHT. Yes, sir.

Senator FRANCE. I think Col. Wright's testimony is quite clear on his.

Mr. BOUVIER. Well, I knew that was repetition; only, it was explanatory of the phraseology that he used in his reply telegram, why he did not say to stop the work, because he regarded that as possible of the interpretation that they had ordered the work begun.

Senator FRANCE. Yes. The legal aspects of it are quite clear.

Col. WRIGHT. The next date is September 18, when Mr. Erskine came and got me, and the papers were in Gen. Marshall's office ready for signature, and the General was not in his office. He took me up to the Mills Building and back to the Surgeon General for his indorsement, and then back to the General Staff, and turned the papers in there, and he was very much perturbed then again, because it was not approved. I think he fully understood the importance of the approval. I might just say that that is the last time I saw Mr. Erskine until I saw him in this room.

Senator HARDWICK. The 18th of September?

Col. WRIGHT. Yes.

Mr. BOUVIER. It has been stated here, I think, it is my recollection, by Mr. Hines in the afternoon that he, Mr. Hines, and, I think, Mr. Erskine, were present at Mr. Hare's office, and the two were present and Maj. O'Brien—two Government witnesses, as he expressed it—and that Mr. Hare stated in your presence and in the presence of Maj. O'Brien, to Mr. Hines, that he, Hare, would notify Mr. Hines personally and give him an opportunity to come back to his office for further conference before any decision was made in relation to the approval or disapproval of the contract.

Mr. BENNET. I protest against that on the part of Mr. Hines.

Mr. BOUVIER. It is most definitely stated.

Mr. BENNET. That Mr. Hines stated that?

Mr. HINES. Never.

Mr. BOUVIER. Mr. Hines was present, and arose and said—

Senator HARDWICK. Ask him if any such statement was made?

Mr. BOUVIER. Was any such statement made by Mr. Hare, directly or to the effect of what I have in substance stated?

Senator HARDWICK. In your presence?

Mr. BOUVIER (continuing). In your presence?

Col. WRIGHT. No, sir.

Mr. BENNET. And he never claimed that there was.

Mr. BOUVIER. That is the statement—

Senator HARDWICK. No matter: if it is not true you have contradicted it.

Mr. BENNET. We never claimed that, and there is nothing like that in the record. That is the meeting at which Col. Wright was present?

Senator HARDWICK. Yes.

Mr. BENNET. Never.

Mr. BOUVIER. Now, in respect of the statement that was supposed to have been made by Gen. Marshall that the building could be completed within 45 days, were you present when any such statement was made, and if so, by whom was it made?

Col. WRIGHT. A statement by Gen. Marshall that the building—

Mr. BOUVIER. It was averred that Gen. Marshall said at the time the committee went out there, and I understood you were there, too, that the building could be completed in 45 days. Did Gen. Marshall make any such statement as that, or did Mr. Shank make the statement?

Col. WRIGHT. Mr. Shank made such a statement as to the hospital, that it could be completed in 45 days.

Mr. BOUVIER. And not Gen. Marshall, then?

Col. WRIGHT. Yes.

Senator FRANCE. Have you that date?

Col. WRIGHT. Yes.

Senator FRANCE. When was it?

Col. WRIGHT. The 23d of December, I think.

Mr. BOUVIER. What was the date?

Col. WRIGHT. About the 22d or 23d of December.

Mr. BOUVIER. I think that is all.

Senator HARDWICK. Now, Mr. Bennet, please confine your examination as much as you can.

Mr. BENNET. I will confine it to two questions. You signed the so-called Chamberlain report?

Col. WRIGHT. Yes.

Mr. BENNET. And so did Gen. Marshall?

Col. WRIGHT. Yes.

Mr. BENNET. And that report, which is found on page 212-d of the typewritten record, provides as follows:

Inasmuch as it is the belief of the board that Fort Sheridan will provide the necessary facilities until such time as the Speedway Hospital can be completed ready for occupancy in 45 working days.

Col. WRIGHT. I did not get that.

Mr. BENNET. Read it. [Handing testimony to the witness.]

Col. WRIGHT (after examining testimony). I think that is the wording of the report.

Senator HARDWICK. You signed that report?

Col. WRIGHT. Yes.

Mr. BENNET. And Gen. Marshall signed it?

Col. WRIGHT. Yes, sir.

Mr. BENNET. There was a meeting at your office on October—

Col. WRIGHT. I will say that we never discussed it after this statement by Mr. Shank that it could be completed. We never discussed it.

Mr. BENNET. You do not think that Gen. Marshall would sign a statement like that unless he believed it?

Mr. BOUVIER. I submit that that calls for the processes of somebody else's mind.

Senator HARDWICK. Anyhow, they both signed it. Whether they made the statement to anyone in the beginning, they both signed that

report. They both said in the report that it could be done, and therefore they must have both believed it.

Mr. BENNET. There were some conferences in the office on October 11, 1918, at which you were present, Maj. O'Brien was present, Mr. Shank and Mr. Hines were present?

Col. WRIGHT. Yes, sir.

Mr. BENNET. And you made a stenographic report?

Col. WRIGHT. Yes, sir.

Mr. BENNET. And you very kindly furnished Mr. Hines with a copy of that interview, did you not?

Col. WRIGHT. Yes, sir; at the time, I think.

Mr. BENNET. And the papers I now show you—it was the 9th, instead of the 11th, as I see by this. [Handing witness papers.]

Col. WRIGHT. He was there the 11th also, I think.

Mr. BENNET. All right. At any rate, I will show you this paper and ask you if that is the copy of the stenographic report furnished by you to Mr. Hines?

Senator HARDWICK. What is that, the record of a conversation between—

Mr. BENNET. Between Col. Wright and Maj. O'Brien and Mr. Hines and Mr. Shank.

Col. WRIGHT. I think this is a copy; yes.

Mr. BENNET. You have not any doubt about it, have you, Colonel.

Col. WRIGHT. I have not any doubt about giving him one.

Mr. BENNET. You do not accuse us of having forged anything?

Col. WRIGHT. No, sir; of course not.

Senator HARDWICK. That is a copy, is it not?

Col. WRIGHT. I have not seen it since, and I paid little attention to it.

Senator HARDWICK. Suppose you examine it enough to answer that question.

Mr. BENNET. Yes; because your answer to that was rather dubious.

Col. WRIGHT (after further examining stenographic report). Yes; I recognize it from the fact that certain words were inserted with a pencil in the stenographic report.

Senator HARDWICK. That is a copy?

Col. WRIGHT. Yes.

Mr. BENNET. Mr. Hines at that time said to you this; this occurred [reading]:

Maj. O'BRIEN. I think we are to analyze this and make some report to the Secretary of War.

Mr. HINES. He said we are to get through with our conference with Col. Wright and then have a conference with him.

Col. WRIGHT. That is a correct report of the conversation.

Senator FRANCE. Mr. Chairman. I neglected to put into the record on yesterday this memorandum report from the Assistant Secretary's office with reference to the possible availability of the ordnance plant at Perryville, Md., and in view of the statement therein contained that that plant might be available for hospital facilities, and in view of the further fact that probably there are other plants at the disposal of the Ordnance Bureau that might be so used. I would suggest that the Chief of Ordnance or the proper officer from the Ordnance Department be called upon to furnish a list of all of their available buildings, and the possible disposition of the same.

Senator HARDWICK. Without objection, the matter will be given that direction and the clerk of the committee will be instructed to instruct the Chief of Ordnance to send an officer here with such a list, at the conclusion of the evidence. We do not care to go into that before.

Senator FRANCE. Yes.

Mr. BENNET. Col. Wright, you never were present at any conference in Mr. Hare's office with Mr. Hines present?

Col. WRIGHT. No, sir.

Senator FRANCE. In considering this whole hospital proposition, we are, of course, considering the possibility of saving some money for the Government, and at least I have in mind the lease of the Greenhut store, which is costing the Government, I believe, something like \$300,000 a year.

Can you tell us anything with reference to the structure of that building which is now being used for a hospital, whether it is of fire-proof construction or not?

Col. WRIGHT. Yes, sir. The building is essentially a fireproof structure. I mean by that, that the columns are cast-iron, the beams and girders are all steel, and the floors are hollow tile, and the outside walls are masonry.

Senator FRANCE. How long has that building been built?

Col. WRIGHT. I think about 20 years.

Senator FRANCE. That question arose in my mind.

Col. WRIGHT. It is also a debarkation hospital, you know. It is only kept there for a short time.

Senator FRANCE. Yes.

Mr. BENNET. Col. Wright, have you any idea why the War Department continues sending official mail to the Speedway Hospital in Chicago? [Placing upon the table a number of letters.]

Col. WRIGHT. No, sir.

Mr. BOUVIER. Do they come from Col. Wright's department?

Mr. BENNET. From all the departments. We have had a half a wagonload of official mail from the War Department sent there. It shows that everybody knows that we are a hospital except the Secretary of War.

Senator HARDWICK. I expect that is because you were called General Hospital No. 32.

Col. WRIGHT. We know nothing about it.

Mr. BENNET. There is a telegram that may be important, if the chairman cares to open it. [Handing unopened telegram to the chairman.]

Senator HARDWICK. I would send it to the officer there.

Mr. BENNET. We have sent the rest of it, half a wagonload of it, to Mr. Schmidt's house, of Schmidt, Garden, & Martin.

Senator HARDWICK. We are through with Col. Wright, are we? Colonel, we will excuse you. Mr. Clark is the next witness, I believe.

#### TESTIMONY OF MR. WALLACE G. CLARK.

The witness was sworn by the chairman.

Senator HARDWICK. Now, Mr. Adcock, proceed just as leadingly as you like. We want to get through.

Mr. CLARK. Mr. Chairman, my statement is voluntary in every way and I claim no immunity.

Senator HARDWICK. You hold no position under the Government?

Mr. CLARK. I hold no position with the Government. A serious charge has been made here.

Senator HARDWICK. Yes. Proceed, Mr. Adcock.

Mr. ADCOCK. Where do you reside?

Mr. CLARK. In the city of Chicago.

Mr. ADCOCK. What is your residence number?

Mr. CLARK. No. 4448 Drexel Boulevard; Hyde Park, it is known as.

Mr. ADCOCK. What is your office address?

Mr. CLARK. In the Michigan Boulevard Building, No. 30 North Michigan Boulevard.

Mr. ADCOCK. You are a partner of Mr. Trainer, of the firm of Clark & Trainer?

Mr. CLARK. I am a partner of Mr. J. Milton Trainer, and I am the senior member of the firm of Clark & Trainer. Mr. Trainer and I have been in business together for 25 years.

Mr. ADCOCK. You have been engaged actively in the real estate business during that time?

Mr. CLARK. Yes; and altogether about 32 or 33 years, in the city of Chicago.

Mr. ADCOCK. You heard Mr. Trainer's statement in behalf of your firm?

Mr. CLARK. Yes.

Mr. ADCOCK. And that is substantially, correct, is it?

Mr. CLARK. Yes, sir.

Mr. ADCOCK. Do you hold any public, official position in the city of Chicago?

Mr. CLARK. I have been trustee of the Sanitary District of Chicago continuously for 14 years. I am now occupying that position.

Mr. ADCOCK. The Sanitary District of Chicago is a municipal corporation, I may state, which covers the Chicago River and—

Senator HARDWICK. Is that a part of the municipality of Chicago?

Mr. ADCOCK. It is an independent municipal corporation, not a part of the city of Chicago, but its territorial area extends over the city of Chicago and all the territory of the city of Chicago, in addition to quite an area beyond that.

Senator HARDWICK. You need not explain that. I asked just as a matter of curiosity. That is an institution created by the Legislature of Illinois?

Mr. ADCOCK. By the Legislature of Illinois; yes.

Senator HARDWICK. To handle certain phases of the municipal government?

Mr. ADCOCK. The principal object of it is to divert from Lake Michigan the sewage that arises within the city of Chicago and the suburbs to the Desplaines River.

Senator HARDWICK. Do they handle all the sewerage questions in Chicago?

Mr. ADCOCK. They handle outlet sewerage.

Senator HARDWICK. That is practically the whole that they handle?

Mr. ADCOCK. That is, practically; yes. They have in addition certain water-supply duties.



Senator HARDWICK. That is to get rid of the sewage and garbage of the city of Chicago?

Mr. ADCOCK. It is not the garbage, but the sewage.

Senator HARDWICK. Proceed.

Mr. ADCOCK. Is that an elective office, Mr. Clark.

Mr. CLARK. Yes, sir.

Mr. ADCOCK. There are nine trustees?

Mr. CLARK. Yes.

Mr. ADCOCK. How many times have you been elected to that office?

Mr. CLARK. The first time, three years; the second, six years; and the last for six.

Senator HARDWICK. Three times?

Mr. CLARK. Yes.

Mr. ADCOCK. Your term expires in 1920?

Mr. CLARK. In 1920.

Mr. ADCOCK. And in that connection you have had to do principally as chairman of the engineering committee?

Mr. CLARK. I have been at least 9 or 10 years as chairman of the engineering committee which handles all of the construction problems.

Mr. ADCOCK. Will you state whether you ever called with Mr. Trainer at the office of the Shank Co. in June, 1918, and state how you happened to go there, and if you can, fix the date, and state the conversation you had and who were present.

Mr. CLARK. In the early part of June—that is, before the medical convention met in the city of Chicago, in passing along the street on La Salle Street, passing the old Stock Exchange Building, Mr. Trainer being with me. Mr. Trainer stated that he wanted me to step up with him just a moment, that he wanted to acquire some information in behalf of Dr. Billings, or the Surgeon General, and I went up in the elevator with him, and I found that it was Mr. Shank's office. Mr. Trainer there made an inquiry as to the Speedway property, and stated that his purpose in calling was to accumulate certain information, and that was the purpose for which I went to Mr. Shank's office with Mr. Trainer.

Mr. ADCOCK. Who were present at that conversation?

Mr. CLARK. Mr. Shank was present. I do not remember Mr. Foster being there. He might have been. I know that if he was there I did not know his name was Foster.

Mr. ADCOCK. Do you remember if Mr. Trainer said he desired to ascertain the elements of value of the property?

Mr. CLARK. That was the substance of his remarks.

Mr. ADCOCK. Do you remember what Mr. Shank said and what Mr. Foster said, if anything?

Mr. CLARK. I do not remember the conversation. It was subject matter that I was—

Senator HARDWICK. Can you give me substantially the date of that interview?

Mr. CLARK. I can only place the date, Senator, from the fact of my knowledge of Mr. Trainer's desire to secure this information before the medical convention met.

Senator HARDWICK. That was before the medical convention?

Mr. CLARK. That was before the medical convention.

Senator HARDWICK. It must have been very early in June?

Mr. CLARK. I have heard it testified here that the medical convention met sometime between the 10th and the 15th.

Senator HARDWICK. Between the 9th and the 15th?

Mr. CLARK. Or the 9th and the 15th of June.

Senator HARDWICK. It met on Monday.

Mr. ADCOCK. I can not say whether it met on Monday.

Mr. CLARK. I had knowledge that that was the purpose, and that was later discussed with Mr. Shank in going out to the Speedway.

Senator HARDWICK. Then you asked for a permit to see the Speedway—Mr. Trainer did?

Mr. CLARK. He asked for definite information, and he may have asked for a permit.

Senator HARDWICK. Finally, as an outcome of that, Mr. Shank agreed to go with you all out there, or with Mr. Trainer out there?

Mr. CLARK. He might have done so.

Senator HARDWICK. Did you not go there?

Mr. CLARK. No; we did not.

Mr. ADCOCK. Not that day.

Mr. CLARK. It is my impression that it was the day following or a day or two afterwards that we went there.

Senator HARDWICK. Did you go in your automobile?

Mr. CLARK. Mr. Trainer had asked me if I would drive him out to the Speedway. He asked me first if I had my car there, and I had; and then he stated that he was going to call up Mr. Shank—I suppose he did, because he asked me if I would pick up Mr. Shank on La Salle Street and then pick him up.

Senator HARDWICK. At the bank?

Mr. CLARK. Yes; and I remember distinctly picking Mr. Shank up, and, as has been testified by Mr. Shank, he rode on the front seat with me, because I was driving, and the only person in the car when I picked Mr. Shank up.

We came to the Continental Bank and waited a minute or two, and Mr. Trainer came out, and he got in the back part of the car that pulled out—those seats that fold under—and sat right behind me, and talking between Mr. Shank and myself.

Senator HARDWICK. I am trying to get that conversation located. That was the conversation, in other words, that preceded this visit to the Speedway?

Mr. CLARK. That was the conversation that took place after we had gone to Mr. Shank's office; after Mr. Trainer had telephoned and asked for a permit.

Senator HARDWICK. Yes; but the conversation you are stating now is the one that led up to the subsequent visit, in a day or two, to see the Speedway property?

Mr. CLARK. Yes.

Mr. ADCOCK. How many times have you ever been to Shank's office?

Mr. CLARK. I have been to Shank's once, at the time that I was called by Mr. Hodge to find out what was delaying the report on valuations of the real estate board, and I either called Mr. Shank's office on the phone or stopped in. I have been trying to dig up every corner of my memory as to just what I did.

Mr. ADCOCK. That was very much later than that, however?

Mr. CLARK. Yes. I asked Mr. Shank if he knew of any transfers in that neighborhood to which he could direct my mind.

Mr. ADCOCK. That was in September, at a time when you were requested by Mr. Hodge, I believe, to obtain a valuation of the property later?

Mr. CLARK. Yes.

Mr. ADCOCK. Of that property?

Mr. CLARK. Yes.

Mr. ADCOCK. For the real estate board?

Mr. CLARK. Yes.

Mr. ADCOCK. And that was the time when Wallace & Mills sent their telegram?

Mr. CLARK. That is correct.

Mr. ADCOCK. Do you remember what was discussed at the time you went to the Speedway Park to visit the property and look it over?

Mr. CLARK. I remember distinctly the subject of discussion, the State hospital proposition, which Mr. Trainer was working on; how he arrived at the figures of cost, or the deficit, and how Mr. Trainer undertook to raise this deficit by subscriptions, and that his plan had been to get five men to subscribe \$100,000 each.

Senator HARDWICK. That is not material at all. Let us get down to it.

Mr. ADCOCK. Was there any discussion at the first conversation in Mr. Shank's office with regard to commissions or compensations?

Mr. CLARK. Absolutely not.

Mr. ADCOCK. Did you have any idea that you were going there to obtain the representation of this property?

Mr. CLARK. Absolutely not.

Mr. ADCOCK. Or to receive a commission?

Mr. CLARK. No, sir.

Mr. ADCOCK. Did you have any conversation with Mr. Wheelock on the trip to the Speedway?

Mr. CLARK. To the Speedway? No.

Mr. ADCOCK. Do you know Mr. Wheelock?

Mr. CLARK. I know Mr. Wheelock by sight, and I think I would have spoken to him on the streets of Chicago as somebody that I knew.

Mr. ADCOCK. And your recollection is that he was not on that trip?

Mr. CLARK. That is my recollection, and I feel very positive in my mind that he was not.

Mr. ADCOCK. Did you have a later conversation at Mr. Popenhusen's private office, in the office of Newman & Popenhusen, Stern & Johnston, at which Mr. Trainer and Mr. Hodge and yourself were present, or Mr. Shank, if he was there, if you remember?

Mr. CLARK. Yes.

Mr. ADCOCK. And Mr. Newman?

Mr. CLARK. Yes.

Mr. ADCOCK. And Mr. Popenhusen?

Mr. CLARK. And Mr. Popenhusen.

Mr. ADCOCK. State what was said at that conversation.

Mr. CLARK. Can I lead up to that conversation?

Mr. ADCOCK. Yes; how did you happen to go there?

Senator BECKHAM. Is that the conversation of June 25?

Mr. CLARK. This was the meeting of June 25. Mr. Chairman, I might expedite much of the direct questions here if I stated that I never had five minutes' conversation in my life with Mr. Newman—no; I mean I never had five words of conversation in my life with Mr. Newman; I never had five words of conversation in my life with Mr. Popenhusen; I never had five words of conversation with Mr. Foster in my life; I never met Mr. Hines in my life; I never met Mr. Erskine in my life.

Mr. ADCOCK. Will you state what was stated at that conversation? How did you happen to go there?

Mr. CLARK. On the 24th of June—and I only place the date by the letter which was introduced in evidence here as being the report that Mr. Trainer made as to the Hot Springs Hotel—

Mr. ADCOCK. When you say "letter" you mean the telegram?

Mr. CLARK. The telegram; yes. Mr. Hodge came to the office that day, and I was in Mr. Trainer's office, and I discussed that matter, his purpose in coming to Chicago, and he stated the desire to have Mr. Trainer's report put in. Mr. Trainer said that he had never made a report to the Government, and asked him as to what form it should be put in; and they two sat down there and made this report. Mr. Hodge had stated in regard to certain matters that he wanted Mr. Trainer to go with him on, and before the conversation ended I stated to Mr. Trainer that he must give me a little of his time if he expected to go to Washington in the next two or three days, referring to negotiations which he had on for a permanent home, in behalf of the Federal reserve bank, and he stated to me, "Either to-day or to-morrow I will give you sufficient of my time for you to get into these negotiations and absolutely absorb all that has been done up to the present time."

On the following morning after that I asked Mr. Trainer what time during the day he would give me a little of his time, and he stated to me that a request had been made to meet Mr. Hodge at Popenhusen's office; that he was to be there at 11 o'clock; and that if I would meet him there, it would take but just a few moments of his time, and he and I would go from there to the Federal reserve. That is the way that I locate the date.

I wish to add, Senator, that I left Chicago a week from last Friday at 4.30, leaving my office at 3 o'clock in the afternoon, going out to Hyde Park to get my clothing and grip, and came back and took that train, arriving here a week from last Saturday night, about half past 4 o'clock; that I met Mr. Adcock and Mr. Trainer at 7 o'clock in the evening at the Shoreham Hotel. That was the first knowledge that I had in any way that there were charges against me. It is the first knowledge that I had of this matter.

Mr. Adcock then told me of this remarkable interview that he had just had with Mr. Hodge, and that he gave as his reason for coming to the hotel so late that night.

Now, I have been here ever since, with no opportunity to check up on my records in Chicago as to my activities, except as I locate these dates from evidence that has been given here, which I am familiar with, such as the meeting of the medical convention; such as also the date of the 24th, when the report of Mr. Trainer was put in.

Senator HARDWICK. The dates are pretty well established, so that you need not bother about them any more.

Mr. ADCOCK. Now, will you state from your recollection the substance of the conversation on the 25th of June, and, if you can, state in substance what each person there said?

Mr. CLARK. My best recollection of the conversation that took place. First, I was introduced to both Mr. Newman and Mr. Popenhusen by Mr. Hodge. I remember Mr. Shank stating why Mr. Trainer and Mr. Hodge had been asked to come to this conference.

Mr. ADCOCK. What did he say?

Mr. CLARK. That he had asked us to come to Mr. Popenhusen's office because these men, he thought, would be able to help them sell the Speedway.

Senator HARDWICK. That is what he said?

Mr. CLARK. And that he was willing to pay a commission. Mr. Trainer spoke up and called attention to the fact that he was going into the Government service and could not represent the property, their property or any other property. I remember Mr. Hodge also calling attention to the fact that he was already, as you know, in the Government service, and I heard Mr. Hodge's testimony here in regard to the clause that was going in contracts that would invalidate them, etc.

I remember distinctly Mr. Newman's statement, and that was, "I am glad to hear you gentlemen talk that way. That is a fine statement, and I regret that this subject has been mentioned or brought up"—words to that effect.

Senator HARDWICK. Did he say why?

Mr. CLARK. And he spoke something about the statute that also prohibited, and when we left there one of the remarks of Mr. Newman was that they would have to get somebody else to represent them.

Mr. Trainer, Mr. Hodge, and myself left the house of Mr. Popenhusen together. We separated somewhere on La Salle Street, according to my best remembrance in front of the building, and Mr. Trainer and I went over to the Federal reserve—either the Federal reserve or to Mr. Shedd's office—from there, because it is my remembrance that we went to both places immediately after this meeting in Mr. Newman's office.

Senator HARDWICK. That does not matter.

Mr. CLARK. And I never was in Newman's office in my life. I have never been back there in my life; and it is the first time, of my knowledge, that I was ever in Popenhusen's office in my life.

Mr. ADCOCK. When did you next meet Mr. Popenhusen?

Mr. CLARK. The morning of the 31st.

Mr. ADCOCK. That was a week ago yesterday, was it not—Friday!

Mr. CLARK. On Friday morning, as I remember, when Mr. Adcock and I were standing here in the corridor outside the committee room, Mr. Popenhusen came up and Mr. Adcock said: "Hello, Pop," or some remark to that effect, and Mr. Adcock said: "Have you ever met Mr. Clark?" Mr. Popenhusen said: "Yes; I have met him once." and as he left Mr. Adcock said: "Did you catch that remark?" I said: "I surely did."

Mr. ADCOCK. You never went to Mr. Newman's office at any time after this conversation of the 25th, or any other time, and said to Mr. Newman and Mr. Popenhusen, or one of them, that you were not in

the Government service, and "Therefore, why not make an arrangement with me for commissions?"

Mr. CLARK. I absolutely did not. Mr. Newman knows that I did not.

Mr. ADCOCK. When did you ever meet Mr. Newman again after that conversation of the 25th?

Mr. CLARK. It was Monday that he came down here supposedly to withdraw his report or statement that he had made about Mr. Hodge.

Mr. ADCOCK. Is that Monday of this week?

Senator HARDWICK. You mean since this investigation has been going on?

Mr. CLARK. Yes; since this last trip he made that he has testified to.

Mr. ADCOCK. There has been evidence of a valuation of this property by Mr. John Wallace, and I think Walter Mills, of Chicago, some time in the latter part of August or the first of September. Will you state just what you had to do with that?

Mr. CLARK. My remembrance is that Mr. Hodge called me on the long distance phone and asked me if I would find out what was delaying the report of the valuating committee of the real estate board; that they asked some week or 10 days before this for a report, and they had asked the real estate valuating committee to wire their appraisal and send their report afterwards, because they were anxious to have the report at the earliest time, and they asked me if I would not find out what was delaying that report, and also told me that he had wired Walter Mills, and that they were very anxious to get a report in at the earliest possible time. I called up the Chicago Real Estate Board and asked for the secretary, and they told me that he was out of the city, and I asked if they had had a telegram from the War Department as to the Chicago Real Estate Board making a valuation, and he said that he did not know of such a telegram; in all probability it was due to the fact that Mr. Cole was away.

Then, the following morning I called up, as I remember, Mr. Shank and asked him if he knew of any transfers in that district.

Then I got hold of John Wallace, who is chairman of the valuating committee, and he and I called up Walter Mills, and Walter Mills made an appointment at 2 o'clock that afternoon, as I remember, and I met there with Walter Mills, John Wallace, and myself, and when Walter Mills came in he said, "This is a very easy matter, because we had cause for making a recent investigation of property in that vicinity; that he had been in a condemnation suit, anticipating his familiarizing himself with values, and he had a lot of data and memorandums as to transfers, and what the speedway company had originally paid for this property, and he stated, after giving consideration, that this was now under one ownership; that he was willing to place the value upon the property of \$600 per acre; and I want to say that Walter Mills is one of our best experts on industrial property, and Mr. Wallace says, "I am not familiar with that property; I am willing to take Mr. Mills's statement as to the value there"; and he asked me how they ought to send their report in. I stated to him that, going to the emergency proposition, I would suggest that they call Mr. Hodge on the long distance phone. They put in a call for Mr. Hodge, and there was a reply a little later from the Washington operator that Mr. Hodge was not in his office. Mr. Mills then dictated a telegram, which was signed "Wallace & Mills," or "Mills & Wal-

lace." I have seen a copy of it since I was here. I know that some 10 days after that that Mr. Mills sent me a bill for some \$10 for that telephone call, and I wrote him a letter, which is on file in the office in Chicago, that I did not remember that we got any service by the telephone company other than a reply that Mr. Hodge was out of his office, and that according to my judgment there should not be any charge. If there was a charge, it was war business, and he ought to so notify the telephone company. If I was at home I could produce that letter.

Senator HARDWICK. It is hardly necessary.

Mr. ADCOCK. Did you understand that you were one of the valuating committee?

Mr. CLARK. No; I was just a messenger. That is the reason that I did not sign that telegram, as I did not consider that I was one of those that had been called upon to value the property.

Mr. ADCOCK. You were interested merely in getting a valuation put on the property in Washington?

Mr. CLARK. Yes, sir.

Senator BECKHAM. Mr. Hodge called on you for it?

Mr. CLARK. From Washington; and after sending the telegram I was given a copy of it and went back to my office, and Mr. Hodge again called me on the wire and asked me if I had been able to get hold of the real estate board, or the members of the valuating committee, and I said to him that they had sent a wire. He asked me if I knew what was in the wire. I said, "I have a copy here, and I will read it to you; and I read the telegram that had been sent by Mills & Wallace.

He asked me, "Well, what do you think of it?" I said, "Well, Sam, according to my opinion, it is low;" and that ended the conversation over the phone.

Mr. ADCOCK. Before Mr. Trainer went into the Government service I understand you had charge of a building there in Chicago, had you not, in which you are interested?

Mr. CLARK. The Michigan Boulevard building.

Mr. ADCOCK. Your duties were taking care of the running of the space in that building?

Mr. CLARK. Of that building, ever since a little before it was finished. It was finished two months after the war was declared; one of the last buildings that was built in Chicago. I have been giving my time to putting that building on a paying basis; that is, securing permanent tenants for it, and I have been out of the sales end of the business except with certain special clients that I personally did business with.

Mr. ADCOCK. And Mr. Trainer had taken care of more of the sales end than you did?

Mr. CLARK. Yes, sir.

Mr. ADCOCK. And negotiations, etc.?

Mr. CLARK. Yes.

Mr. ADCOCK. Did you ever do anything in any way to injure the chances of the Speedway project going through, so far as the hospital project of the Government is concerned?

Mr. CLARK. Absolutely nothing.

Mr. ADCOCK. Did your firm ever receive, since the period of the war, any commissions of any kind on sales of property to the Government?

**Mr. CLARK.** Absolutely not.

**Mr. ADCOCK.** Or for purchases?

**Mr. CLARK.** No.

**Mr. ADCOCK.** You are willing to have your firm's books and your private books examined?

**Mr. CLARK.** Not only willing, but I think they should be examined, not only in justice to Mr. Trainer, but to myself.

**Mr. ADCOCK.** Have you read the transcript of your testimony in the Stotesbury report, or your statement you made to Maj. Stotesbury?

**Mr. CLARK.** Yes, sir. May I just state—

**Mr. ADCOCK.** Will you state the circumstances?

**Mr. CLARK.** In regard to that report?

**Mr. ADCOCK.** Yes.

**Mr. CLARK.** I was asked to come to the Blackstone Hotel and meet Maj. Stotesbury. I went to his room, and he had a stenographic reporter with him and said that he wished to get what knowledge I had with reference to the Speedway, and that he wanted to make my statement under oath and have it in the report that it was voluntary. I told him that I was a nephew of Uncle Sam; that any information I had the Government was only too welcome to, and I made my statement, answered all the questions, without opportunity of refreshing my mind or knowing the purpose, and asked him afterwards if the statement would be written up, or I would have an opportunity to look it over and make any corrections and then sign it. He said: "No, Mr. Clark, I do not know that it will ever be written up. At least, the statement will not be written up here."

Later in the evening Maj. Stotesbury came to my office—it was then from 6 to half past 6 at night—with some other gentleman with him, and he said, "Clark, I want to know whether you will not do me a favor." He said, "I am trying to get out of town to-night, and I feel that I ought to see Mr. Pitcher. Will you undertake to locate Mr. Pitcher for me, and then find me—undertake to find me? I will be at the Blackstone." I told him I would be very glad to help him in any way, and then again, I then told Mr. Stotesbury, I said, "I will not only do that, but I would like to have an opportunity to read over the statement which I have given you, because of one or two pointed questions which you asked me, and I want to have my testimony to be technically right." He said, "Mr. Clark, I do not think your testimony will ever be written up, and there will be no necessity of it."

After his leaving the office I undertook to reach Mr. Pitcher. I called several places—called his house—and they told me at his house that he was dining with some gentlemen at one of the clubs; and, knowing that Mr. Pitcher was a member of the Union League Club and of the Chicago Athletic Club, I started in and called the Union League, and afterwards called the Chicago Athletic Club and found him there and asked him to come down to the Blackstone Hotel to meet Maj. Stotesbury. May I go right ahead?

**Mr. ADCOCK.** Yes.

**Mr. CLARK.** Since Maj. Stotesbury was on the stand, and the day that he was on the stand, reading from the stenographic report of testimony that I had given him at the Blackstone Hotel, it states that in reply to a question I claimed that we were agents of this



property, and that we had the property on our books, or that is the substance——

Mr. ADCOCK. Or that you had been retained?

Mr. CLARK. Or had been retained. I do not remember making such a statement. If I made the statement, I was absolutely wrong. I had in mind that the property was for sale, and I knew that every real estate man knew that they were endeavoring to sell it. In 1917 and part of 1918, in looking for an industrial location for the Johns-Manville Co., which should include a tract of land of 353 acres of land at Waukegan, and for another company for which I have sold a tract of 130 acres of land, I was looking for large tracts, and this property was called to my attention, as I remember, either by Mr. Hodge or Mr. Chandler, as an industrial location, and that is what I had in mind, to invest. If I had had an opportunity to have read over that statement I would have realized immediately that we did not have the property on our books; that we did not have an agency of the property, because I knew to well—I knew that Hodge & Chandler were exclusive agents of the Speedway property.

Mr. ADCOCK. As they had been?

Mr. CLARK. As they had been; yes.

Mr. ADCOCK. Now, there is the mention of a name, "Ned Smith," or "Schmidt." of Schmidt, Garden & Martin. You referred there to Edward Schmidt, of Schmidt, Garden & Martin?

Mr. CLARK. I surely referred to Edward E. Schmidt, as I knew him.

Mr. ADCOCK. There is also a name referred to on page 277 of the Statesbury report as "Comiskey," as being the head of the West Side Park Commission. Did you refer to John Smulskey?

Mr. CLARK. I referred to John Smulskey, president of the West Park Board, whom I had called on the phone in behalf of Mr. Trainer to find out whether it was possible that the Columbia Park Building of the State might be available.

Mr. ADCOCK. That is, for the State hospital?

Mr. CLARK. For the State hospital.

Mr. ADCOCK. In this report I notice that you are also reported as saying that Mr. Shank was not present at the conversation at Popenhusen's office when commissions were mentioned. Do you remember whether you were asked then to state what different people said, what different persons said, at this conversation?

Mr. CLARK. I was not. I was not directed to.

Mr. ADCOCK. And if you stated in that report that Mr. Shank was not present, is that correct?

Mr. CLARK. That is correct.

Mr. ADCOCK. No; is it correct or an error?

Mr. CLARK. You were asking me about the report. The report speaks for itself. It was an error, and in all probability——

Mr. ADCOCK. What is your recollection now?

Mr. CLARK. No; and in all probability I said no, in answering that question; but if my mind had been directed to what each had stated, there is no question but what I would have called to my mind Mr. Shank's statement.

I want to say at this time that when Mr. Shank spoke about these men assisting in any way in the sale of this property, it was not in a

sensitive way. There is no one who knows more what public policies are than myself, because I have been on official for 14 years, and if the statement had been improper—that is, intended in an offensive way—or as an attempt to bribe anyone, I do not think anyone would have resented it more quickly than myself. But his remark was made in a way such that it would not have jarred the most sensitive mind.

Mr. ADCOCK. You did not think that he intended to do anything wrong?

Mr. CLARK. Absolutely not.

Mr. ADCOCK. With Mr. Hodge, when Mr. Trainer and Mr. Newman spoke, you understood that they were simply advising him of something that perhaps he did not know about?

Mr. CLARK. Yes, sir; something that could not be done.

Mr. ADCOCK. Was Mr. Newman excited when he spoke?

Mr. CLARK. Absolutely not excited. He did not impress my mind that way. I have a pretty fair memory.

Mr. ADCOCK. At the interview at Shank's office do you recollect whether Mr. Reynolds's name was mentioned?

Mr. CLARK. It was not.

Mr. ADCOCK. You do not recall its being mentioned?

Mr. CLARK. I do not recall its being mentioned, and I think if it had been mentioned I surely would recall it.

Mr. ADCOCK. Do you remember whether it was mentioned in the subsequent conversation when you went to the Speedway?

Mr. CLARK. I remember Mr. Trainer's going fully into the history of the State proposition and how he undertook to raise this money.

Mr. ADCOCK. You do not remember whether he used Mr. Reynolds's name or not?

Mr. CLARK. I do not remember distinctly his using the name, but I have heard the story so many times that in all probability he did mention Mr. Reynolds's name in describing how he was able to accomplish what he did; that is, the raising of a half million dollars at that time.

Mr. ADCOCK. I think that is all.

Senator HARDWICK. Are there any questions, Mr. Bennet?

Mr. BENNET. Yes; a few. Is it the will of the committee that I go right on?

Senator HARDWICK. Yes.

Mr. ADCOCK. I just want to call this to the attention of the committee, that Mr. Poppenhusen, Mr. Newman, and others were permitted to go over their testimony before Maj. Stotesbury and sign it.

Senator HARDWICK. Very well; that is a matter of argument.

Mr. ADCOCK. I just wanted to call the attention of the committee to that fact.

Mr. BENNET. If that be a fact, very well.

Mr. ADCOCK. You know that it is a fact. You have read the record.

Mr. BENNET. Mr. Clark, Maj. Stotesbury got Mr. Pitcher's name from you?

Mr. CLARK. From me; yes, sir.

Mr. BENNET. That is in the testimony here?

Mr. CLARK. Yes, sir.

Mr. BENNET. And therefore you readily understood why he came back to you that night and asked you if you could put him in touch with Mr. Pitcher?

Mr. CLARK. Absolutely. I asked Maj. Stotesbury to see Mr. Pitcher.

Mr. BENNET. Yes.

Mr. CLARK. Because why? Let me explain to you. When he asked me how Mr. Reynolds's name came into this subject I told him that in all probability I was responsible for it because of a suggestion that I had made of certain names to Mr. Pitcher and Mr. Reynolds telling me afterwards that a letter had been written, or brought into his office; and, as I understood, that was a letter signed by Mr. Pitcher, and I called Mr. Pitcher on the phone to try to find out what the letter was.

Mr. BENNET. And that is all in Maj. Stotesbury's report.

Mr. CLARK. Therefore I took the responsibility in every way with Maj. Stotesbury of having first injected Mr. Reynolds's name in there, in giving the names of certain men that I thought were the type of men that the Secretary of War could have asked to pass on this property, and in that way eliminate the name of Mr. Hines.

Mr. BENNET. That is all in this report here?

Mr. CLARK. In substance; and the report in essentials is correct.

Mr. BENNET. It just happens to be incorrect in those details in which it conflicts with Mr. Trainer's testimony?

Mr. CLARK. Not to my mind.

Senator HARDWICK. That is a conclusion?

Mr. BENNET. Yes.

Mr. ADCOCK. And you heard Mr. Hodge?

Senator HARDWICK. Do not draw conclusions. Just ask this witness what he knows.

Mr. BENNET. Did you intend to convey the impression to the committee that there was anything mysterious or unusual in Maj. Stotesbury's coming back to you to find out where he could find Mr. Pitcher?

Mr. CLARK. I only wished to convey, Mr. Bennet, my request twice to have an opportunity to have my statement written up, because I wanted it to be technically right.

Mr. BENNET. Wait a minute.

Mr. ADCOCK. Let him go on.

Mr. CLARK. That is all there is in the fact that I stated, that Maj. Stotesbury came back to my office.

Mr. BENNET. If you will get my question——

Mr. CLARK. I will try to follow you.

Mr. BENNET. I will try not to go outside. So that you did not intend to convey the impression to the committee that there was anything mysterious or anything unusual in Maj. Stotesbury's coming back and asking about Mr. Pitcher?

Mr. CLARK. I did not; no.

Mr. BENNET. You thought it was a perfectly natural thing?

Mr. CLARK. Yes; absolutely natural.

Mr. BENNET. Now, in relation to Poppenhusen. This meeting on January 31 was nothing but a casual meeting, was it, in the hall here, or something or the other?

Mr. CLARK. Just in the hall.

Mr. BENNET. He said that he had met you once before?

Mr. CLARK. Yes.

Mr. BENNET. And that is all that there was about that?

Mr. CLARK. Yes; I was impressed with the statement.

Mr. BENNET. You did not engage in any conversation?

Mr. CLARK. I have never said five words to him in my life, except to acknowledge an introduction. Out here I just bowed; that was all; and when I met him I only just recognized the introduction, and I have never had a word with him in my life.

Mr. BENNET. The importance of that suggestion possibly lies, in your mind, that Poppenhusen swore to that conversation on one day? I am trying to find out what you mean.

Mr. CLARK. The importance of that statement was that it was a further indication of the frame-up that has been going on here.

Mr. BENNET. Has anyone described the frame-up so far?

Mr. CLARK. It was impressed on my mind, Mr. Bennet, knowing the facts as I do, with the knowledge that I had of this meeting, and calling upon Mr. Shank, and considering the number of times that that statute has been read to me, so that I ought to be able to-day to repeat it by heart, according to Mr. Newman's statement.

Mr. BENNET. Does the committee think that I will probably get through with the examination very briefly if the witness goes on in this way?

Mr. CLARK. It is a serious matter to me.

Mr. BENNET. I do not deny that.

Senator BECKHAM. He is under a charge here, and I think that he ought to be allowed to answer fully.

Senator HARDWICK. I think, gentlemen, that it would be better, so far as we can—I am not disposed to be very strict with counsel or witnesses on either side—to confine the questions to facts; not to indulge in surmises and conclusions and mental attitudes, but just have the witnesses testify to facts.

Mr. BENNET. That is what I have been trying to do.

When Col. Starrett came to Chicago did you see him?

Mr. CLARK. No, sir.

Mr. BENNET. I am referring to his visit in September.

Mr. CLARK. I understand; the time that he came to Chicago and made this investigation; I am referring to that.

Mr. BENNET. As to values ou there?

Mr. CLARK. I am only familiar with that as I heard the testimony here.

Mr. BENNET. Did the drainage board, of which you are a member, purchase some land near this Speedway tract?

Mr. CLARK. Yes.

Mr. BENNET. About what time?

Mr. CLARK. I should say some time within a year before this.

Mr. BENNET. What did you pay for it per acre?

Mr. CLARK. \$950 an acre.

Mr. BENNET. Did you have that knowledge when Mr. Mills sent his report to your office that the Speedway property was worth \$600 an acre?

Mr. CLARK. I had that knowledge.

Mr. BENNET. You thought Mr. Mills's report was incorrect?

Mr. ADCOCK. I did not know that that went through your office.

Mr. CLARK. It did not go through my office.

Mr. BENNET. You stated that you had a copy of the telegram.

Mr. CLARK. No; I mean the purchase of that land did not go through my office.

Mr. BENNET. Which land?

Mr. CLARK. The drainage land.

Mr. BENNET. I did not ask you about that.

Mr. CLARK. Mr. Adcock's question was as to that.

Mr. BENNET. I meant Mr. Mills's report.

Senator HARDWICK. Was the Mills report telephoned in from your office?

Mr. CLARK. No; from John Wallace's office. He was the chairman of the valuating committee from the real estate board.

Senator HARDWICK. Was it prepared in your office?

Mr. CLARK. No, sir; it was dictated by Walter Mills in John Wallace's office.

Mr. BENNET. Did you not testify in your direct examination that you had a copy of it?

Mr. CLARK. Yes; I testified here, and I think I can produce that copy.

Senator HARDWICK. He said that he had a copy of it.

Mr. BENNET. How soon after they made that telegraphic report to Washington did you have a copy of it?

Mr. CLARK. Why, I carried a copy from the office of John Wallace with me back to my office. I was there when the telegram was dictated and signed, and Mr. Mills handed me a copy of it.

Mr. BENNET. Did you make any protest to Mills or Wallace against the low valuation they were putting on this property?

Mr. CLARK. I told them, if I remember the conversation, of the recent sale I had made for the Johns-Manville Co., in which I had sold 353 acres of land at the corporate limits of the city of Waukegan, and that it was my opinion that you could not get together a tract of land of that size—

Mr. BENNET. You thought—

Mr. ADCOCK. Wait a minute. Let him finish.

Mr. CLARK (continuing). That you could not get together a tract of land of that size within a circle of 10 miles of the business section of Chicago at less than \$1,000 an acre. I have never in my life analyzed the Speedway property; that is, by taking those elements that go to make values. It was my general knowledge of the industrial district of Chicago, and knowing that the Speedway was 10 miles from the center, and that I had just sold a piece of property 15 miles away, on the Calumet River, which we called the Gooseneck, the old Pullman farm, and that we had recently had a valuation also, the year before, by Mr. Hodge, in behalf of the Sanitary District—a committee of three—just south of the Calumet River.

Mr. ADCOCK. By Mr. Oliver?

Mr. CLARK. And Oliver and Brittan. We had had a valuation of that land at \$1,500 an acre, and I insisted that the price was too high, and the district having the rights of eminent domain, we were passing an ordinance, which I had introduced in council, for its condemnation

Mr. BENNET. At that time, to sum it up, you thought that the Speedway property, being all in one ownership, was worth at least \$1,000 an acre?

Mr. CLARK. I was taking 320 acres of land under one ownership, that distance north, south, or west, and in my opinion it would be worth \$1,000 an acre.

Mr. BENNET. You stated with some vehemence that you never had five minutes' conversation with Mr. Hines, Mr. Erskine, or Mr. Newman?

Mr. CLARK. Did I say five minutes?

Mr. BENNET. Five words of conversation.

Mr. CLARK. I never had five words of conversation with Mr. Hines. I never met him in my life. I have known him by sight for 15 years or more.

Mr. BENNET. You have heard a good deal of the testimony here. Did you understand that Mr. Hines or Mr. Erskine had ever made any claim that they knew you, either of them?

Mr. CLARK. I just took those that made up the Hines crowd, in making that statement.

Mr. BENNET. You did not understand that Mr. Hines or Mr. Erskine, either of them, ever claimed to have met you, did you?

Mr. CLARK. No: I understand that they do not claim to have met me.

Senator HARDWICK. There is no use in going into that.

Mr. BENNET. No; surely. I just did not want it misunderstood. You did not sell the Shedd building to the Federal Reserve Bank.

Mr. CLARK. Yes, sir.

Mr. BENNET. When?

Mr. CLARK. It was finally closed on the last day of the year.

Mr. BENNET. 1918?

Mr. CLARK. Yes.

Mr. BENNET. You got a commission for that?

Mr. CLARK. Yes.

Mr. BENNET. Now, there is a man in Chicago by the name of Comisky, is there not?

Mr. CLARK. Yes; he is the head of the White Sox.

Senator HARDWICK. A baseball man?

Mr. CLARK. Yes; a baseball man.

Mr. BENNET. Let me read you what is in the testimony taken by Maj. Stotesbury. I read from page 277. [Reading:]

A. I think it was Dr. Billings at this time claimed that the West Side Cub Baseball Park was not large enough.

Mr. CLARK. Yes.

Mr. BENNET (continuing reading).

Its location was ideal, surrounded by all those medical institutions, but there was not sufficient ground, because they had in mind the agricultural end, and we had this up with Mr. Comisky—

Mr. CLARK. Smulski that should be.

Mr. BENNET (continuing reading).

who is head of the West Side Park, in regard to trying to find some other location.

When you used, in the same sentence, the words "the West Side Park" and "The West Side Baseball Park"—

Mr. TRAINER. They are two different propositions.

Senator HARDWICK. Is that where Comisky's baseball park is?

Mr. CLARK. No, sir; on the South Side. Mr. Chairman, this report in all probability was written up by the stenographer some-time afterwards, when he got back to Washington, and when he got to the West Side Park he just thought about baseball and he made that mistake.

Senator HARDWICK. It is not essential.

Mr. CLARK. No; it is not essential.

Mr. BENNET. Mr. Jarvis Hunt is your business associate in this Michigan Boulevard Building?

Mr. CLARK. No; he is not. He is a stockholder in the building. I am president of the Michigan Boulevard Building. It is a corporation.

Mr. BENNET. Owning 15 per cent of the stock, if I remember correctly.

Mr. CLARK. I own 25 per cent of the stock, and Mr. Trainer owns 25 per cent.

Mr. BENNET. And Mr. Hunt owns 40 per cent?

Mr. CLARK. Yes, sir; Mr. Trainer and myself have the controlling interest.

Mr. BENNET. And that was sold in the summer of 1918?

Mr. CLARK. Was sold?

Mr. BENNET. It is a fact that it was sold in the summer of 1918?

Mr. CLARK. Yes.

Mr. BENNET. Now, you criticized this statement of facts in the Stotesbury report, and I wanted to ask you just one or two things in relation to the specific testimony, to find out whether you are correctly reported or not. I read from page 274, now [reading]:

Q. Did you personally have any talk with the persons interested in regard to the property during the period it has been under consideration?—A. Yes; I have met Mr. Shank—way early in the year.

Mr. CLARK. Yes; that is correct.

Mr. BENNET. That is correct?

Mr. CLARK. Yes; that is in the report, but I had no way of fixing the dates, and I know that the time I saw Mr. Shank was just before that convention and, therefore, my statement early in the spring is not correct. If I had had the opportunity I now have of locating the time that the convention was there, I could have given almost the date.

Mr. BENNET. But you do not question now that you did make that answer?

A. Yes; I have met Mr. Shank way early in the year.

Mr. CLARK. I do not question it—that statement.

Mr. BENNET. I read further from your testimony before Maj. Stotesbury:

Do you remember an occasion when you and Mr. Trainer went down to Mr. Shank's office?

A. At the time they were making up a statement of the property, I think that Mr. Shank, Mr. Trainer, myself, and I don't remember who else—

Was that question asked and did you make that answer?

Mr. CLARK. Yes.

Mr. BENNET. And was this question asked and did you make this answer?

Q. Was that the first time you had met Mr. Shank?—A. Oh, I have known Mr. Shank for a long time.

Mr. CLARK. Well, I had in mind in answering that question that I have known Mr. Shank indirectly, and as I remember, at the time that Mr. Trainer and myself were appraising several blocks of property in behalf of the Sanitary Railroad and the Wabash Railroad, Mr. Shank did appraise the building. Now, that is my remembrance of the first time that I ever met Mr. Shank in those days and still I may have it confused with some other time. It is my opinion that he was the man who did the appraisal in those days. That is some years ago.

Mr. BENNET. Were these questions asked and did you make these answers?

Q. What do you recall took place at that meeting?—A. They had a statement of this property all written up, and Mr. Trainer told Mr. Newman that he was now in the Government service and that he couldn't be interested in this project; that if the matter came up there, it would be treated absolutely on its merits. And Mr. Newman said: "That is fine; I am glad to hear you talk that way."

Q. Was that practically the substance of what took place?—A. Yes.

Q. Who was there at that time, do you recall?—A. Mr. Trainer, Mr. Hodge, and Mr. Newman, as I remember it.

Q. Was Mr. Erskine there?—A. No.

Q. Mr. Shank?—A. No.

Were those questions asked and did you make those answers?

Mr. CLARK. They are contrary to the facts and, therefore, I will not say that I answered "No"; but if it is a fact that that is as given in the report, I must have answered in that way.

Mr. BENNET. You did not say anywhere in this statement to Maj. Stotesbury that Mr. Shank ever offered anybody a commission for selling the Speedway property to anybody, did you?

(At the request of the witness the question was read by the stenographer.)

Mr. CLARK. No, sir.

Mr. BENNET. And, to be brief, you have heard or read the testimony of Mr. Newman and Mr. Poppenhusen, and in relation to that meeting that they say took place in their office between the 27th of June and 2d of July, have you not?

Mr. CLARK. Between the 27th of June and the 2d of July; yes, sir.

Mr. BENNET. You have heard that?

Mr. CLARK. Yes.

Mr. BENNET. And I presume, if I interrogated you at length, you would say that their statements about that meeting were all mistakes?

Mr. CLARK. Not mistakes, but absolutely false.

Mr. BENNET. Well, that is better.

Mr. CLARK. I want to use the best word I can to emphasize that no such meetings ever took place with either Mr. Poppenhusen or Mr. Newman, in which I was present, except that one meeting when the six of us were all together.

Mr. BENNET. And to be blunt about it, when Mr. Newman and Mr. Poppenhusen went on the stand and made those statements they stated things that were untrue to their knowledge?



Mr. CLARK. Yes; and they knew they were untrue, to their knowledge. Of course I appreciate that this committee are interested only in the facts.

Mr. BENNET. Yes.

Mr. CLARK. Now, when I say that this is a frame-up by Mr. Newman and Mr. Hines I state a fact as I know it to be fact, and I will swear it before my God and maker that it is a fact.

Mr. BENNET. You are swearing it now, are you not?

Mr. CLARK. Yes; I am.

Mr. BENNET. Absolutely. Now, you say that you have been here for the last 10 days and have not been able to check up things in your Chicago office. It is easy to call up Chicago by telephone, is it not?

Mr. CLARK. It is easy to call up Chicago; but when a man has been leading an active life—possibly I might be able to have a telephone bill photographed, or some things along that line.

Mr. BENNET. Do you know what the subject of Mr. Adcock's conversation was a week ago Sunday morning when he called up Mr. Austrian from the Shoreham Hotel?

Mr. CLARK. Called up whom?

Mr. BENNET. Called up Mr. Austrian.

Mr. CLARK. No, sir.

Mr. BENNET. You do not know the subject of that conversation?

Mr. CLARK. No; but I am familiar with the purpose that he was calling Mr. Austrian for. We were trying at that time—Mr. Adcock expected that Mr. Austrian would be able to come down here.

Mr. BENNET. Do you know what he said to Mr. Austrian at that time about the Stotesbury report and Mr. Reynolds' name being mentioned in it?

Mr. CLARK. Mr. Adcock made that call from a booth.

Mr. BENNET. Yes.

Mr. CLARK. And I was outside. I know from the subsequent discussion what he said. I do not know of my own knowledge.

Mr. BENNET. Of course not. You were outside the booth?

Mr. CLARK. I was outside the booth?

Mr. BENNET. That is all.

Senator HARDWICK. Are there any other questions, Mr. Adcock?

Mr. ADCOCK. You did not know what the subject of the inquiry of Maj. Stotesbury was when you went to give your statement to him, did you?

Mr. CLARK. Maj. Stotesbury told me the purposes were to investigate the Speedway.

Mr. ADCOCK. But you did not know it was your relations or Mr. Trainer's relations with the Speedway, or anything about it, did you?

Mr. CLARK. No, sir.

Mr. ADCOCK. You had just got off the train from a trip to Philadelphia, had you not, at that time?

Mr. CLARK. Yes; just got in that morning.

Mr. ADCOCK. And you heard that he was at the Blackstone Hotel and he had called your office, and you went over there?

Mr. CLARK. Yes. Now, Mr. Adcock, I merely want to inject that when I say there were certain pointed questions, he asked me two or three times if I had seen Mr. Newman, and he asked me: "Are you

sure that you did not go back and see Mr. Newman?" Those are the questions that I could not understand and considered that they were pointed questions.

Senator BECKHAM. Before you gave the testimony to Maj. Stotesbury, how long a notice had you had that you were to give that testimony?

Mr. CLARK. Just time to walk over; maybe 5 or 10 minutes longer time than enough to walk down to the Blackstone Hotel.

Senator BECKHAM. Did you know when he summoned you to the hotel what he wished you for?

Mr. CLARK. No; when he summoned me to the hotel it was to investigate all the hospitals, and Mr. Reynolds had referred him to me as having more or less knowledge in regard to the Speedway.

Senator HARDWICK. I think we had better close the examination now if you can get through in a short time.

Mr. ADCOCK. Yes; there are just a few more questions I wanted to ask.

Referring to the appraisal made for the sanitary district by Mr. Hodge and Mr. Oliver and another man by the name of Brittman, was not the appraisal of that property—there were three or four pieces appraised—near the Speedway? Was not that property near the Speedway that was appraised at \$900 an acre, and some \$600?

Mr. CLARK. \$600.

Mr. ADCOCK. And the piece that was bought, the asking price for that was \$1,500?

Mr. CLARK. Yes; well, I can not say as to that. I do not remember now, but I remember the actual transaction as it finally occurred and the price that was paid.

Mr. ADCOCK. \$950?

Mr. CLARK. \$950.

Senator HARDWICK. Just one question that the committee has thought has not been covered by counsel.

What about Mr. Pitcher? You know him, do you?

Mr. CLARK. I know him. There is not a man that ever wore shoes that is finer than Louis Pitcher in the city of Chicago.

Senator HARDWICK. Did he go to see Newman or Poppenhusen at your suggestion?

Mr. CLARK. No, sir; absolutely not.

Senator HARDWICK. You heard his testimony here?

Mr. CLARK. Shall I just relate my part in that?

Senator HARDWICK. I think we can get it in a quicker way if I ask some questions. You heard what he stated?

Mr. CLARK. Yes.

Senator HARDWICK. Did he state it correctly?

Mr. CLARK. He stated, in substance, in a way correctly. I did not know that he was acquainted with Mr. Newman, and there was no suggestion on my part of his going to see Mr. Newman.

Senator HARDWICK. Well, you knew he advised with him?

Mr. CLARK. After I had talked with him. He was impressed with the suggestion, as the suggestion had impressed me, and then told me that he thought he might do this matter some good.

Senator HARDWICK. By going to see Newman?

Mr. CLARK. By going to see a friend of his, he said, and he spoke about Newman and asked if it would be an embarrassment to me. I

then said, "Let me ask Trainer." He said, "No; I do not want Trainer to know anything about the possibility of my going over," or words to that effect.

The reason that I asked Maj. Stotesbury to see Mr. Pitcher was because I did not go to Newman's; I knew that I had made this remark to Mr. Pitcher and I wanted him to find out from Louis Pitcher where he had gone and what he had done. I did not understand in his questions that they were implying in any way that I was under—

Senator HARDWICK. Your recollection of what passed between you and Mr. Pitcher corresponds exactly to Mr. Pitcher's testimony.

Mr. CLARK. Yes.

Senator HARDWICK. So that we need not go over his testimony?

Mr. CLARK. Yes; about the same.

Mr. ADCOCK. At that time this commission was in Chicago, was it not?

Mr. CLARK. Yes, sir.

Mr. ADCOCK. This was about the 1st of October?

Mr. CLARK. Yes.

Mr. ADCOCK. And if your recollection is correct the war was on with great force at that time?

Mr. CLARK. Yes.

Mr. ADCOCK. And what you were interested in was getting beds there, was it not?

Mr. CLARK. Doing everything that we possibly could; doing my best to help the commission in getting emergency hospitals, as the term would apply.

Mr. ADCOCK. And you had in mind that possibly this Speedway might be obtained as a hospital, and thereby you might get beds secured?

Mr. CLARK. I had in mind, Mr. Adcock, that the commission had been there for some time and were very much discouraged; that the trustees of the Field Museum had turned down the proposition of using the Field Museum as a hospital, and that they up to that time had secured only some 600 beds, and that they had been sent out to get 10,000 beds.

Senator HARDWICK. And that they could get some at the Speedway?

Mr. CLARK. Yes.

Senator HARDWICK. All right.

Mr. CLARK. The fact is, in regard to the Speedway, I knew that the plans had been drawn, according to Mr. Schmidt's statement, by him, whom I considered one of the best architects in the country.

Senator HARDWICK. In other words, you believed that it was a good project in every way?

Mr. CLARK. As far as I knew, in every way.

Mr. ADCOCK. And Gen. Noble was exercised about their not getting beds?

Mr. CLARK. Yes.

Senator HARDWICK. All right. You may be excused.

Mr. BENNET. Did I understand your testimony, whether you had ever spoken with Mr. Newman at all, at any time or place—Mr. Jacob Newman?

Mr. CLARK. Only at that one meeting where I went there to pick Mr. Trainer up to go to the Federal Reserve or to John Shedd's office.

Mr. BENNET. Your testimony is specific and explicit that you did talk with Mr. Newman, then?

Mr. CLARK. Only to acknowledge that introduction is all; and my best memory is that I did not exchange three words with the gentleman.

Mr. BENNET. I wanted to get that straight on the record.

Senator HARDWICK. Now, gentlemen, so far as I know, we have heard practically all of the evidence that you care to offer on this issue that is presented to us.

Mr. BENNET. We have one other witness, Mr. Wheelock, who is coming on from Chicago.

Senator HARDWICK. Wheelock?

Mr. BENNET. Yes; who will testify as to the facts about that conversation.

Senator HARDWICK. He was present at this meeting where the commissions were discussed?

Mr. BENNET. Yes.

Senator HARDWICK. You do not want to just keep replying to each other.

Mr. BENNET. No.

Senator HARDWICK. If you do that, we will never get through.

It looks as though we would only have one other witness, who will be short, and we ought to conclude this evidence in one morning session. We want to conclude, at any rate, not later than Tuesday or Wednesday, and hear whatever argument is to be heard in this matter, so that the committee may proceed to the consideration of our report to the Senate, because we have other urgent duties to perform in respect to these very legislative matters.

Mr. ADCOCK. Then we can calculate on Wednesday morning for the argument?

Senator HARDWICK. I think not later than that; maybe earlier.

(At 2.30 o'clock p. m. the subcommittee adjourned until Monday, February 10, 1919, at 10.30 o'clock a. m.)



## MILITARY HOSPITALS.

MONDAY, FEBRUARY 10, 1919.

UNITED STATES SENATE,  
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS,  
*Washington, D. C.*

The subcommittee met at 10.30 o'clock a. m. in the room of the committee in the Capitol, Senator Thomas S. Hardwick presiding.  
Present: Senators Hardwick (acting chairman), Trammell, Beckham, France, and Lenroot.

### TESTIMONY OF COL. EVAN SHELBY, UNITED STATES ARMY.

(The witness was not sworn.)

Mr. BOUVIER. Will you kindly give your full name, rank, and Washington address, sir?

Col. SHELBY. Evan Shelby; colonel, Quartermaster Corps; address, Seventh and B; house address, the Marlborough.

Mr. BOUVIER. Prior to entering the service, what had been your profession or occupation?

Col. SHELBY. The practice of law.

Mr. BOUVIER. And for about how long a period?

Col. SHELBY. Twenty years.

Mr. BOUVIER. Did you at any time meet Mr. Newman?

Col. SHELBY. I did.

Mr. BOUVIER. Can you recall approximately the date when you first met him?

Col. SHELBY. I think it was on a Saturday, the 18th of August, 1918.

Mr. BOUVIER. Did you meet him on any other occasion beyond the one of the 18th of August?

Col. SHELBY. I met him the next day.

Mr. BOUVIER. And have you met him since the 19th, which would be the succeeding day?

Col. SHELBY. Yes; I have seen him and spoken to him casually.

Mr. BOUVIER. Will you please tell the committee what, if any, was the conversation that took place between you and Mr. Newman upon the occasion of your first meeting on or about the 18th day of August, 1918?

Col. SHELBY. Some time in the afternoon of Saturday, the 18th of August, Lieut. Col. Wright, of the Construction Division, brought Mr. Newman into my office and introduced him. He said he had a matter in relation to a hospital that he was anxious to have the War Department take up and as it involved a contract, a draft of which

he had, he would like me to go over with Mr. Newman this draft which he brought with him, and give him what information I could as to whether or not he had a contract that would be lawful. With that he left, and Mr. Newman sat down in my office, and he had a number of papers, one of which was a draft of a contract, I think purporting to be between the Shank Co. and the United States, a document of several pages. I read it over, and he said that the matter had been taken up by the Surgeon General's office. He mentioned particularly Col. or Dr. Billings, and he said, I think, Gen. Noble and certain people at the Secretary of War's office, he thought, were all favorable to it, and he asked me just what, as a lawyer, he had to do in order to get his proposition effective. I told him that there was nobody in the War Department that could authorize anything beyond \$5,000 besides the Secretary of War; that before he could do anything he must have the written approval of the Secretary of War. Then he wanted to know how that was gone about to be gotten. I told him the usual procedure was that these projects started in some bureau; they were put into form showing the advisability of it, and then presented to the Secretary of War as far as our office was concerned, through the Director of Operations; and the Director of Operations recommended it, and the Secretary of War approved it, then a contract was drawn which would bind the Government.

We talked at considerable length. I was anxious to know what his general scheme was, and I asked him; I said, "This, you say, was a race course?" He said, "Yes." I said, "Horse?" He said, "No; an automobile race course." I said, "Are you using it?" He said, "Oh, no; it is idle." I said, "Well, you are merely trying to regalanized a dead horse; is that it?" He said, "Well, we have got a big investment there, and we want to get what we can out of it;" and we talked at considerable length, and I took his draft of contract. A number of the provisions were plainly in violation of statutory provisions enacted by Congress, and I pointed those out to him. Then I wrote one or two little provisions in pencil which I said would be appropriate for such a contract, and he said with that data he thought he would go back to his hotel and get a stenographer and redraft the draft he had brought to me. So, after being there I suppose an hour or an hour and a half, he left; and the next day, Sunday, I think about 11 o'clock in the morning, or something like that, he came to the office, and he had a redrafted contract much longer and containing many of the provisions I had suggested that should be changed and others that ought to be added.

I then sent for Maj. O'Brien, one of my assistants in the contract branch of the Construction Division, and introduced him to Mr. Newman, and it seemed they had both lived at Chicago at one time, and they were immediately acquainted; and I said, "Now, Maj. O'Brien, I want you to do whatever is necessary as far as we are concerned with Mr. Newman." I said, "I want, however, that you will not do anything that will commit the Construction Division," and recalled to him an instance where we had been reported to have committed ourselves when we had not, when I had merely taken up the contract and said I thought it was legal; that I did not know anything about the merits or the advisability of the project one way or the other, but

that as far as the contract form was concerned it was legal, and that that was as far as he and I could go on this thing. We could say whether the form was proper or not, but it did not originate with us. We were not responsible for it in any way.

Senator HARDWICK. In other words, you had no authority to approve of it?

Col. SHELBY. None whatever; and I wanted to impress that on Maj. O'Brien that day, and I did so in the presence of Mr. Newman.

Mr. BOUVIER. And does that substantially conclude your interviews upon this subject with Mr. Newman?

Col. SHELBY. Yes. Mr. Newman then went to Maj. O'Brien's office, and I know that he was in conference for several days. Once or twice, I think, I saw them passing through the hall. It was on my floor, and two doors away.

Mr. BOUVIER. I think that is all.

Senator HARDWICK. Is there anything you want to ask?

Mr. BENNET. Nothing.

Senator HARDWICK. Is there anything you want to ask, Mr. Adcock? If not, the witness is excused, with the thanks of the committee.

Mr. BOUVIER. I am very regretful that Maj. O'Brien is the victim of a serious attack of quinsy, which he has been working up to for some time. The testimony that I would secure through him has already, I think, been intimated to the committee. It is substantially to the effect—I get this from him directly to me—that if present he would testify that after this conversation just detailed by Col. Shelby he saw Mr. Newman, and warned him in respect of the responsibility that the Speedway people would assume if they undertook to do anything in relation to demolition or construction.

Senator HARDWICK. Have we had Maj. O'Brien's statement anywhere in these reports?

Mr. BENNET. We have three statements of Maj. O'Brien.

Senator HARDWICK. I thought so. You say he is not well?

Mr. BOUVIER. He is very ill, sir, in bed, and his condition perhaps may involve an operation. The specific point, also, that Maj. O'Brien directed my attention to was this—that he took down a volume of the Revised Statutes and indicated to Mr. Newman the provision in question that inhibited any other than the Secretary of War—

Senator HARDWICK. I suppose we have his statement, as best we can get it, already in the record?

Mr. BENNET. You have already got it. Maj. O'Brien has testified twice, and both times made that same statement.

Senator HARDWICK. There is no dispute about his connection with it.

Mr. BOUVIER. Oh, yes; there is another feature, too, that has not, of course, been the subject of examination—that he will deny, as did Col. Wright, the accuracy of the statement of Mr. Hines to the effect that a promise was made by Mr. Hare that Mr. Hines would have an opportunity, before this thing was finally determined in Mr. Hare's mind, of returning, and that no such conversation—

Mr. BENNET. Maj. O'Brien was never present at any meeting at which Mr. Hines and Mr. Hare were present. Col. Wright testified on the stand the other day that he was never present at any such



meeting. Mr. Hines has never claimed that they were present at any such meeting. What happened was that on the 9th of October there was a meeting at which Maj. O'Brien, Col. Wright, Mr. Hines, and Mr. Shank were present. What happened was taken down stenographically. They were kind enough to furnish us with a copy. I showed the copy to Col. Wright on Saturday. He identified it, and——

Senator HARDWICK. And it is in the record now?

Mr. BENNET. And it is in the record now.

Mr. BOUVIER. It is quite futile, may it please the committee, to make statements and counter-statements of that character.

Senator HARDWICK. Oh, yes; I think so. Counsel will just confine themselves to the evidence.

Mr. BOUVIER. It is in the record, and I will advert to the record in respect of statements made by Mr. Hines.

Mr. BENNET. I challenge that statement. We have the record.

Senator HARDWICK. You will not consider for a moment any suggestion that you gentlemen make in your statements that Mr. O'Brien says so-and-so and so-and-so. Their statements are taken down as a matter of record, in writing. We will rely on them, unless he were present and changed them in some way.

Mr. BOUVIER. I am only adverting now to impeachment of the testimony of Mr. Hines.

Senator HARDWICK. That is a matter of argument; but he can not testify by proxy in any such way as that. You know that. We can not have Maj. O'Brien send us word by somebody that so-and-so is a fact. We have got his record down, and we will go by that. Now, we can not consider any change of positions or any new thing that Maj. O'Brien might or would testify if he were here, if he is not going to testify.

Mr. BENNET. There is Mr. Hines's testimony [producing volume of record]. If you will show me where Mr. Hines——

Senator HARDWICK. Well, that is all a matter of argument between counsel. We do not want to argue the case now.

Mr. BENNET. There is nothing like that in the evidence.

Mr. BOUVIER. Well, I dissent. There is. We will talk directly.

Senator HARDWICK. That is a matter of argument. We will not have the argument now. Let us have the direct evidence that you want to offer. Maj. O'Brien is not testifying, except as we have his testimony and his statements.

#### STATEMENT OF COL. WINFORD H. SMITH, UNITED STATES ARMY— Resumed.

Senator HARDWICK. Col. Smith, you have testified already in this investigation, have you not?

Col. SMITH. I have.

Mr. BOUVIER. There is only one question that I should like to ask Col. Smith. Did Gen. Noble at any time say to you, Col. Smith, that he had warned Messrs. Hines or Shank——

Senator HARDWICK. Well, now, that is just a little in the line of hearsay, is it not?

Mr. BOUVIER. That is hearsay, sir—undoubtedly hearsay—but it seems, so far as I have been able to read the record, to be quite in

line with conversations that have been reported to have been made by other people, and the other people have not been here to support them.

Senator HARDWICK. We have not been very strict about it, and I do not suppose we want to be; but has Gen. Noble got a statement in here? Is that in the record?

Mr. BOUVIER. No, sir; he is in France. That is the difficulty.

Senator HARDWICK. What do you gentlemen say about letting him testify?

Mr. BOUVIER. Undoubtedly it is not legal evidence, but unhappily it has already been introduced in a variety of other features in the same way.

Senator HARDWICK. Have we permitted any evidence at all on questions like that? It does not make much difference.

Senator LENROOT. It is my recollection that we have not permitted any such testimony except where the witnesses, Mr. Hare and others, based their judgment upon something that Gen. Noble had said, and in those cases we permitted it.

Senator HARDWICK. Just a mere hearsay statement about what a fact is, I think, is a different thing.

Mr. BOUVIER. I think it is already in evidence, substantially in the same way, that Gen. Noble had said to another witness that he was puzzled.

Senator HARDWICK. We permitted some reference to that to illustrate the frame of mind the witness was in, as bearing on some judgment that he made. That is my recollection.

Senator LENROOT. Yes; that is my recollection.

Senator HARDWICK. That was on the theory that whether or not the information was true, it would at least illustrate the theory and the frame of mind in which the witness approached a decision. But just to prove an independent fact in that way would not have any influence on my mind, because of course I would have to reject it when I came to consider the evidence.

Mr. BOUVIER. Do not understand me, Senator, as pleading for the correctness of any such testimony, for I do not.

Senator HARDWICK. Oh, no. Well, we are not very strict about it.

Mr. BOUVIER. It is quite obvious that it is not other than hearsay.

Senator LENROOT. My recollection is that while I have been present, at least, the only conversation with Gen. Noble was that had by him with Mr. Hare, where he relied upon Gen. Noble with reference to—

Senator HARDWICK. Yes; and we were trying to get the frame of mind, the state of mind, that Mr. Hare was in, and the different considerations that controlled his judgment, and therefore we permitted him to say what he had heard Gen. Noble say, to show what his own frame of mind was.

Senator TRAMMELL. To show the elements that entered into his decision.

Senator HARDWICK. Yes; but I think this, probably, is unnecessary.

Mr. BOUVIER. Very good, sir. That is all, Colonel.

Does the committee feel that it is of sufficient importance to have an explanation of that rather stupid routing that appeared the other day, by sending a contingent of invalids, on or about the 5th of

February, to Maywood? It was a blunder, a stupid one, and readily explicable, if the committee will kindly care to have it explained.

Senator HARDWICK. What do you say, gentlemen? I do not regard it as of very much importance. Apparently this hospital got listed in some orders.

Mr. BOUVIER. The fact is, everything is listed, and designated, for purposes of better convenience, whether they be propositions or whether they be—

Senator HARDWICK. Suppose you just tell us how it occurred.

Senator LENROOT. Make a statement for the record on that point.

Mr. BOUVIER. I am advised that it has been the custom to designate by number every proposition, whether it is merely in its inception or whether it is a concrete and established fact; that there are lists that are made, and that these lists will have the designated numbers for the various departments; that Maywood was listed at "No. 32, Chicago, Ill."

Senator HARDWICK. That has been in testimony.

Mr. BOUVIER. And at the embarkation office, where familiarity with hospital work or hospital placement was conspicuous by its absence, carelessly, Chicago, Ill., was taken, and Maywood became the objective without any further investigation as to whether "No. 32" represented a concrete, established thing of the Government, or whether it merely represented a proposition designated for purposes of general convenience.

Senator HARDWICK. All right.

Senator LENROOT. That would only have one relevancy, it seems to me, so far as the committee is concerned, and that might be as to how the embarkation point became possessed of any knowledge of this listing.

Mr. BOUVIER. Perhaps I have not covered that. There are lists here that are published each month.

Senator LENROOT. Of the hospital accommodations?

Mr. BOUVIER. Of all the hospitals, and here was "No. 32, Chicago, Ill." It did not have "Maywood" or "Speedway," but "No. 32, Chicago, Ill." They are sent to every point of embarkation.

Senator HARDWICK. In one order they got this hospital listed in that list, Hospital No. 32, and this order got to these people, and that is why they sent the patients to it.

Mr. BOUVIER. Very good, sir.

#### TESTIMONY OF MAJ. CLAIRE FOSTER, UNITED STATES ARMY.

(The witness was not sworn.)

Mr. BOUVIER. Please state your full name, rank, and department.

Maj. FOSTER. Clair Foster; major, War Industries Board; emergency construction committee of the War Industries Board.

Mr. BOUVIER. And your residence here?

Maj. FOSTER. No. 1906 N Street.

Mr. BOUVIER. Did you have occasion, Major, at any time to ascertain or to attempt to ascertain the organization of the Shank Co.—its personnel?

Maj. FOSTER. Yes, sir.

Mr. BOUVIER. Just state to the committee what you did, sir, and what, if anything, you discovered in relation to the personnel or organization of the company.

Maj. FOSTER. Our committee's job was to get data regarding all the contractors in the country, and as part of that we were in the habit of sending out questionnaires to all the contractors. Whenever we would hear of a contractor that we never heard of before, we would write him a letter and send him a questionnaire and ask him to fill it out.

Mr. BOUVIER. Did you send the Shank Co. a questionnaire?

Maj. FOSTER. Yes, sir.

Mr. BOUVIER. And did you accompany that by a letter?

Maj. FOSTER. Yes, sir.

Mr. BOUVIER. Do you know about when it was that you sent that letter and inclosed questionnaire?

Maj. FOSTER. September 4, 1918.

Mr. BOUVIER. Yes, sir; correct.

Senator HARDWICK. Are there any questions, Mr. Bennet?

Senator FRANCE. Was this letter signed?

Maj. FOSTER. It was signed by Lieut. Talmage.

Senator FRANCE. It was not merely a circular letter?

Maj. FOSTER. No; I directed him to send the questionnaire there.

Mr. BENNET. In this letter of September 4 there is no mention of anything in connection with the Speedway Hospital, or the contract which Mr. Shank had signed on the 31st of August?

Mr. BOUVIER. The letter speaks for itself.

Maj. FOSTER. No; that was not sent with reference to the Speedway. We asked every contractor we heard from to file that information about himself.

Mr. BENNET. Then, this was a general letter, a form letter? Every time you heard anything about a contractor you sent him this letter and these blanks? Is that right?

Maj. FOSTER. It was not a form letter; but we wanted to get all the information we could, and we wrote him in some manner or other, asking him to fill them out, telling him what the purpose was.

Mr. BENNET. Do you know, now, how the name of the Shank Co. came to you on the 4th of September?

Maj. FOSTER. I do not recall, but those names came to us in various ways. Other Chicago contractors might have been in, and we might have got in conversation. It may have come about by hearing something about this proposed Speedway project, for all I know. I do not recall.

Senator HARDWICK. Wherever you heard of a contractor who had work from the Government, or was asking for it, you sent out these questionnaires?

Maj. FOSTER. Yes, sir; any contractor, whether he was doing work for the Government or not. It was our job.

Senator HARDWICK. Whenever you heard of any contractor at all in the country, you sent out one of these letters of inquiry to him?

Maj. FOSTER. Yes, sir.

Senator HARDWICK. What per cent of them replied—do you know?

Maj. FOSTER. Oh, nearly all of them, because they all wanted work. There was no private work going on, and they all wanted it.

Senator HARDWICK. They all responded?

Maj. FOSTER. If a man did not respond, we took it for granted, either, that he was not available for Government work or that he was not organized for it or that he did not want it.

Mr. BENNET. If he did not reply, it was not necessarily a reflection on him; if he had other work, and did not want to do Government work, that was his own business?

Maj. FOSTER. No; that was his business.

Mr. BENNET. If you had known at that time that the Shank Co. had on September 4 just concluded the fourth of four warehouses in the city of Chicago which had cost a million dollars to construct, and all of which had been leased by the Government, would that have come into your records in any way?

Maj. FOSTER. I do not think so. The thing that would occur to me was that that man was not looking for a job, or he would be glad to furnish that information.

Mr. BENNET. You thought he was otherwise satisfactorily occupied?

Maj. FOSTER. That was his business. I did not know anything about that.

Mr. BENNET. It did not really concern you one way or the other?

Maj. FOSTER. Not at all.

Mr. BOUVIER. I should like to have these in the record.

Senator HARDWICK. Very well.

(The papers above referred to, identified by Maj. Foster in connection with his testimony, are here printed in full in the record, as follows:)

WAR INDUSTRIES BOARD,  
Washington, September 4, 1918.

THE SHANK CO.,  
30 North La Salle Street, Chicago, Ill.

GENTLEMEN: The attention of this committee has been called to the name of your company. Will you kindly fill out the questionnaire blanks which we are inclosing herewith? The information contained therein will properly place you before this committee when work comes up for consideration.

Yours, very truly,

COMMITTEE ON EMERGENCY CONSTRUCTION,  
By J. B. TALMAGE,  
First Lieutenant, Quartermaster Corps, Secretary.

[Confidential to War Industries Board.]

COUNCIL OF NATIONAL DEFENSE,  
Washington, D. C. \_\_\_\_\_.

(Fill out blanks on typewriter, if possible.)

1. Name, \_\_\_\_\_.
2. Address of main office, \_\_\_\_\_.
3. Incorporated under the laws of the State of \_\_\_\_\_.
4. Branch office (give full address) \_\_\_\_\_.
5. Capital, \_\_\_\_\_. Surplus, \_\_\_\_\_.
6. Date of organization, \_\_\_\_\_.
7. Have you had special experience in any of the following classes of work (check off): Steel frame construction, \_\_\_\_\_; factory construction, \_\_\_\_\_; wooden frame, \_\_\_\_\_; reinforced concrete, \_\_\_\_\_; water power, \_\_\_\_\_; difficult waterworks, \_\_\_\_\_; steam plants, \_\_\_\_\_; electric plants, \_\_\_\_\_; transmission lines, \_\_\_\_\_; steel bridges, \_\_\_\_\_; railroad construction, \_\_\_\_\_; earth works, \_\_\_\_\_; any others, \_\_\_\_\_.
8. Are you accustomed to run camps for (1) laborers? \_\_\_\_\_. (2) Skilled mechanics? \_\_\_\_\_.

# MILITARY HOSPITALS.

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9. How many men have you housed and fed at any one time on any one job? \_\_\_\_\_.

10. Give owners name and location of last three jobs on which you ran camps of any size. \_\_\_\_\_.

We certify that the following is a complete list of all jobs handled by us since January 1, 1915:

Owner.	Nature of work.	Amount.

(Signed) \_\_\_\_\_.  
Per \_\_\_\_\_.

We certify that the following is a complete list of our building operations which we have on hand at the present time:

Owner.	Location.	Estimated amount.	Date started.	Estimated date of completion.

(Signed) \_\_\_\_\_.  
Per \_\_\_\_\_.

Date, \_\_\_\_\_.

Kindly fill out and return same, typewritten if possible, to committee on emergency construction of the War Industries Board, Eighteenth and D Streets, Washington, D. C.

Name of firm \_\_\_\_\_.  
Signed by \_\_\_\_\_.

Date, \_\_\_\_\_.

	Name of man in charge.	How many men under him?	Has he been continuously employed by you for over 2 years? If not, how long?	Has he been doing work as indicated for at least 2 years? If not, how long?	Give briefly his past experience obtained with any other concern.
Chief executive.....					
Accounting.....					
Insurance: Fire liability.....					
Purchasing.....					
Traffic expediting.....					
Designing engineering.....					
Mechanical engineering.....					
Estimating.....					
Drafting.....					
Office manager.....					
Field superintendence.....					

If any of the above departments are combined, please so indicate.

If you feel that an adequate idea of the personnel of your organization can not be given by this form, please supplement by brief settlement.

If you operate under an organization chart, supply, please supply a copy of same.

If you maintain branch offices, make separate blanks for each office.

Senator LENROOT. Did this failure to reply influence any action of your division?

Maj. FOSTER. No, sir.

Senator LENROOT. Was it brought to the attention of any other department of the War Department—this failure to reply?

Maj. FOSTER. I do not know. Somebody may have asked us.

Senator LENROOT. Well, I am asking you.

Maj. FOSTER. Because we were always being asked by different persons.

Senator LENROOT. I am asking whether you know.

Maj. FOSTER. I do not recall.

Senator HARDWICK. Were you ever afterwards called upon to report as to the ability of the Shank Co. to do construction work for the Government in a given time?

Maj. FOSTER. Mr. Crowell asked me what our records showed about the Shank Co. and I told him that they did not show anything so far as the Shank Co.'s own statement was concerned. We knew something, of course, about the Shank Co., because we were seeing every day contractors from all over the country, and we know lots of fellows from Chicago, and when contractors sit down alongside of fellows that talk their own language, they usually discuss a whole lot of things.

Senator HARDWICK. All right. Suppose you call the next witness now.

Mr. BOUVIER. That is all.

Senator LENROOT. I should like to ask exactly the purpose of this. What relevancy does it have?

Mr. BOUVIER. It is in correspondence with the testimony of Mr. Crowell—I do not know whether you were here at that time, sir—to the effect that he never had been able to satisfy himself as to the competency of the Shank Co. to carry this work on within the stipulated period, and that, among other things, he never satisfactorily could secure evidence that moved him regarding their organization and their abilities from the standpoint of an established, associated lot of men to do the work.

Senator LENROOT. I understand that; but the witness now testifies that so far as he knows this was never brought to the attention of Mr. Crowell or anyone else.

Mr. BOUVIER. I thought he testified just a moment ago that Mr. Crowell asked him. Perhaps I misunderstood him.

Senator TRAMMELL. I understood him to state that, in the last statement he made, that Mr. Crowell asked him about it.

Mr. BOUVIER. That is what I understood.

Senator LENROOT. I did not catch that part of the reply.

Senator HARDWICK. Perhaps I misunderstood the witness. I thought he said he simply told Secretary Crowell that there was nothing in his records about the Shank Co.

Maj. FOSTER. I said they had not replied to that letter.

Senator LENROOT. Oh, yes; well, I did not so understand you. I beg your pardon.

**TESTIMONY OF MAJ. CLARENCE GOLDSMITH, UNITED STATES ARMY, QUARTERMASTER CORPS, CONSTRUCTION DIVISION.**

(The witness was not sworn.)

Mr. BOUVIER. Please state your name, rank, etc., for the record.

Maj. GOLDSMITH. Maj. Clarence Goldsmith, Quartermaster Corps, Construction Division.

Mr. BOUVIER. And your residence?

Maj. GOLDSMITH. No. 1400 Fairmont Street NW.

Mr. BOUVIER. Prior to entering the Army, sir, what had been your occupation?

Maj. GOLDSMITH. For 21 years I have been a practicing engineer. The past nine and a half years, before entering the Army, I was fire-prevention engineer with the committees on fire prevention of the National Board of Fire Underwriters.

Mr. BOUVIER. In respect of that work, did you ever have occasion from the standpoint of fire prevention to examine the Fort Sheridan Hospital?

Maj. GOLDSMITH. Yes, sir. Approximately three weeks ago I spent a week there.

Mr. BOUVIER. Will you please state, first, what are the fundamental preventive measures that are recognized as being required and what you discovered in your examination of the Fort Sheridan Hospital?

Maj. GOLDSMITH. According to well-understood principles, which are well set forth in the building code which has been developed by the National Board of Fire Underwriters, certain features incorporated in frame construction render that construction much more safe than ordinary frame construction. When these measures are carried out in their entirety, a building of frame construction is considered by the underwriters practically on a par with a brick building, known in insurance parlance as joisted construction—joisted brick construction. A number of features enter into the question of reducing the fire hazard, such as the separation of the buildings from each other—I am speaking of frame buildings, now, as the hospital buildings are frame—the provision of an incombustible or fire-resisting roof covering, which also would eliminate having wooden gutters on the buildings; the keeping down of the area, so that the area will not be excessive; the provision of fire stops—fire stops are put in at the ground floor, brick or concrete, or asbestos, and at each floor above—and also block fire stopping put in at intermediate points between the floors. The draft stops also should be provided to divide any areas which are more or less inaccessible, as beneath the buildings, and in the attic, between the roof and the ceiling of the upper floor, fire walls with protected openings, those openings being protected by fire doors.

In the case of the Fort Sheridan Hospital, I made a very careful investigation to determine whether all these structural features had been carried out as was shown on the plans. I might add here that those plans have been passed upon by the Bureau of Fire Prevention, which is supported by the National Board of Fire Underwriters under authority of the Secretary of War, that bureau passing upon all structural features as well as the location of all buildings which have been constructed as emergency construction during the period of the war; and I found that all these features had been carried out or were being carried out at Fort Sheridan.

Mr. BOUVIER. Did you make any examination of the question of exits and fire protection?

Maj. GOLDSMITH. I did. There were some features in the course of construction which, although practically in accordance with the plans, I deem advisable to have changed in order to improve the conditions; and the constructing quartermaster, as soon as those were



called to his attention, proceeded to make those changes, and the exits provided are in excess of any exits that we would have in commercial buildings, and would appear to enable any ward or group of wards to be evacuated as rapidly as we could expect they would be evacuated, and certainly before any fire could assume sweeping proportions.

Senator HARDWICK. Let me ask you a question there. When was this change made on the exit question—how long ago?

Maj. GOLDSMITH. Within three weeks. This was not primarily an exit, sir. It was egress from the courts.

Senator HARDWICK. What is the difference between "exit" and "egress"?

Maj. GOLDSMITH. You have got an exit from the building when you are in the court between two buildings. That primarily should not be an exit from the building into the court in case of fire; but certain stairways had been built there for more or less convalescent and ambulant patients, perhaps, to take exercise, and it would be possible in case of a fire, when a man had been out there several days, and was walking around that court, that he would adopt that method of getting out of the building; and if he got out there, although there was sufficient exit for one or two or three men to go out, it seemed that they should be larger, so that there would be no possibility of confusion.

Senator HARDWICK. I do not care anything about the technique of that; but when did you make these changes in order to make it safer for these patients? Have they been made yet?

Maj. GOLDSMITH. That, sir, I can not answer.

Senator HARDWICK. When did you advise them? How long ago?

Maj. GOLDSMITH. About three weeks ago, at the time of my visit.

Senator HARDWICK. Oh, then, within the last three weeks that improvement has been made?

Maj. GOLDSMITH. Yes, sir.

Senator HARDWICK. And you do not know whether that has been carried out yet or not?

Maj. GOLDSMITH. No, sir; I can not answer that.

Senator HARDWICK. Anyhow, that was agreed on—that they would make those changes?

Maj. GOLDSMITH. That was agreed on. I think there is no doubt, sir, but that will be done.

Senator LENROOT. That is, an exit from the court to the outside?

Maj. GOLDSMITH. Yes, sir.

Mr. BOUVIER. Now, in respect of alarms, both manual and automatic, what are the requirements, and what did you define?

Maj. GOLDSMITH. In all of the hospitals plans have been made to provide automatic thermostat alarms. This alarm gives notification of fire in its inception. In the case of this particular alarm that is being installed in the hospitals—I am speaking now of an experiment that I saw about a year and a half ago—two leaves of a newspaper were rolled up on a table perhaps about that size [indicating table in committee room], and these wires which give the alarm were in the ceiling of a room with about the same height of studding as this, and in about 13 seconds the alarm was automatically turned in. In other words, the fire could gain practically no headway at all before the authorities would be notified. The alarms in these buildings

are so arranged that an alarm bell sounds in the building itself, and a circuit runs to the fire stations, so that the fire companies are immediately notified.

Mr. BOUVIER. That is the automatic thermostat alarm?

Maj. GOLDSMITH. That is the automatic thermostat alarm.

Mr. BOUVIER. What is referred to as the manual alarm in addition thereto?

Maj. GOLDSMITH. We class as a manual alarm either the telephone system or a fire-alarm box such as we see at the corners of streets, where we pull a hook, and that transmits the alarm to the fire stations.

Mr. BOUVIER. What did you find in the hospital in question in respect of the existence of manual and thermostat alarms?

Maj. GOLDSMITH. At the time I was there there were no manual box alarms. They depended entirely upon telephones to notify the fire department headquarters; and that is what we have been doing in the camps to a large extent, because at the time the camps were built we were unable to secure boxes and install the systems, and that has worked out very well, as it works out in a number of our cities. Take our larger cities—Kansas City is dependent entirely upon telephones for transmitting alarms, and the records of that city are very good; they compare favorably with the records of alarm transmission for other cities which have a separate fire-alarm system.

Mr. BOUVIER. In respect of the thermostat, did you find that there?

Maj. GOLDSMITH. The thermostat contract had not been let at the time I was there. The thermostat contract has been let since that time, and I advised the constructing quartermaster that it would be very inadvisable to turn over any portion of that hospital for occupancy until such time as that alarm had been installed and had been thoroughly adjusted.

Senator FRANCE. That is because of the highly inflammable nature of the buildings, is it not? Is it customary to have such devices in fire-resisting buildings?

Maj. GOLDSMITH. Yes, sir. That was not entirely so, because I do not look at those buildings as being so enormously hazardous; but it was a fact that this was all contemplated when this work came through the bureau, the underwriters, and it seemed imperative that we should live up to every last thing which had been contemplated for the safety of this hospital.

Senator FRANCE. You say "so enormously hazardous." Of course that is quite a superlative term. Your testimony given a few moments ago was not designed to lead us to believe that these were fire-resisting structures?

Maj. GOLDSMITH. Yes, sir?

Senator FRANCE. Did you wish the committee to understand from your testimony that these are what would be called fire-resisting structures?

Maj. GOLDSMITH. No, sir. In these buildings, on account of the fire stops, draft stops, and fire walls, the progress of a fire would be so slow in these buildings that the life hazard would not be material.

Senator FRANCE. How far apart are these buildings—these wooden buildings?

Maj. GOLDSMITH. I would assume that they are about 50 feet apart. I have not exactly in mind the exact distance.

Senator FRANCE. Is it not a fact that there is a law or a rule of the insurance companies that they will not insure groups of wooden buildings if they are less than 70 feet apart? Now, is not that the rule of the underwriting companies?

Maj. GOLDSMITH. No, sir.

Senator FRANCE. You say they have no such rule?

Maj. GOLDSMITH. No, sir.

Senator FRANCE. None of the insurance companies have?

Maj. GOLDSMITH. None of the companies with which I am acquainted.

Senator FRANCE. What companies do you represent?

Maj. GOLDSMITH. About 156 of the stock companies, sir. I do not represent them now, sir.

Senator FRANCE. Well, I mean what companies did you represent? You would be in a position to know what the rules of the underwriters were, would you, as a result of your experience with them?

Maj. GOLDSMITH. Yes, sir.

Senator FRANCE. Can you name us some of the companies which you represented, in order that we may have an idea as to the character of the companies?

Maj. GOLDSMITH. I could name a lot of them. We write practically 98 per cent of the loss outside of the mutual companies, which means that practically all of the larger companies are represented by the National Board of Fire Underwriters.

Senator FRANCE. Let us get the record clear on this point. I wish no technicalities to be availed of here on either side, so far as I am concerned. Do you mean to tell me that there is no policy adopted by any of the large underwriting companies which calls for the separation of frame and inflammable buildings a certain distance from one another if insurance is to be granted?

Maj. GOLDSMITH. No, sir.

Senator FRANCE. No regulation whatever?

Mr. GOLDSMITH. No, sir. They simply get an exposure chart. If such were the fact—we have a large number of cities where the construction is largely frame where there could be no insurance written.

Senator FRANCE. It affects the rate, then?

Maj. GOLDSMITH. Yes, sir.

Senator FRANCE. Of course, I am not referring to cities. I am referring to plants which are built of frame buildings. The insurance companies make a very great distinction between insuring plants and insuring buildings in a village.

Maj. GOLDSMITH. But I might state here that the National Board of Fire Underwriters do not establish rates, nor has our Engineering Association anything to do with rates.

Senator LENROOT. Do they establish standards?

Maj. GOLDSMITH. They establish standards.

Senator LENROOT. Upon which rates are fixed?

Maj. GOLDSMITH. Yes, sir. Our standards are used by the rating bureaus.

Senator FRANCE. I want the record to show that as far as my experience is concerned it is the policy of insurance companies to insist, in insuring plants made up of inflammable buildings, that the buildings shall be 70 feet or more apart. I am not saying that from any

general knowledge of the insurance business, but I am saying it from information which has been given me by insurance agents.

Senator LENROOT. Just one or two questions on that line. You say the Board of Fire Underwriters establishes standards upon which rates are fixed. Do those standards include the differentiation for additional exposures?

Maj. GOLDSMITH. No, sir; they merely establish the standards of building construction.

Senator LENROOT. Of building construction?

Maj. GOLDSMITH. Yes, sir.

Senator LENROOT. Just what do you mean by that?

Maj. GOLDSMITH. The type, materials, and methods of construction.

Senator LENROOT. To make them insurable at all? Is that it?

Maj. GOLDSMITH. No, sir. We can insure almost anything. That is what the rating bureau determines—the rate which shall be paid.

Senator LENROOT. Well, are there different classes? Does your bureau, then, make different classes or grades of construction?

Maj. GOLDSMITH. Yes, sir; we have class A, class B, etc.

Senator LENROOT. That is what I am getting at.

Maj. GOLDSMITH. In the case of councils or municipalities which are working on building codes, we endeavor to getting building codes amended so as to enable a higher class of construction to be followed out in a city.

Senator LENROOT. I understand that. Are those printed in pamphlet form?

Maj. GOLDSMITH. Yes, sir.

Senator LENROOT. Could you furnish to the committee a copy of such circulars?

Maj. GOLDSMITH. Yes, sir.

Senator LENROOT. We should be very glad to have you do so.

Senator FRANCE. Do you mean to tell us that in fire-resisting or fireproof structures it is usual to have these devices of which you spoke, which give an automatic alarm?

Maj. GOLDSMITH. I will not say that it is usual, but many of them are installed.

Senator FRANCE. I understood you to say that it was the usual practice to install such fire-protection devices in fire-resisting structures.

Maj. GOLDSMITH. Yes, sir; they are installed, but unfortunately the number of alarm devices in buildings is very, very small indeed.

Senator HARDWICK. Are there any other questions, gentlemen, of this witness?

Mr. BOUVIER. Now, in respect of fire pails and chemical extinguishers, etc., small and large, what can you tell us?

Maj. GOLDSMITH. The small appliances have been furnished according to the standards established by the underwriters for such equipment, including fire pails, small extinguishers—those are the 2½-gallon extinguishers—hung at quite frequent points throughout the buildings. There are 40-gallon chemical extinguishers on wheels with 50-foot length of hose about these buildings. At the time I was there they were on the first story piazzas, outside the buildings. There are also standpipes at either end of the wards with inch-and-a-half hose held in a rack and nozzles attached to the hose.

Senator HARDWICK. Were there any patients out there at the time you were there at these buildings?

Maj. GOLDSMITH. No, sir.

Senator HARDWICK. None at all?

Maj. GOLDSMITH. None at all in the buildings at the time I was there.

Senator HARDWICK. In any of the Fort Sheridan project?

Maj. GOLDSMITH. Only in the old brick barracks.

Senator HARDWICK. Have they got any rule out there against smoking, do you happen to know?

Maj. GOLDSMITH. Only during the construction period. There is no smoking allowed within 5 feet of the buildings during construction. I did not see any notices in the older buildings that were occupied, and neither can I remember seeing anyone smoking in there.

Senator HARDWICK. Would it be safe for them to allow the patients, the convalescent patients, etc., to smoke out there?

Maj. GOLDSMITH. In the group of buildings that we are discussing? Yes, sir.

Mr. BOUVIER. Were there any additional hydrants or hose reels?

Maj. GOLDSMITH. There is a distribution system with hydrants located about 225-foot intervals about these buildings, and at a number of hydrants—not every hydrant; I should say every third or fourth hydrant—there is a little hose house and hose. They were not there at the time I was there, because the hose had not been delivered. Some of the hose reels had been delivered, however.

Mr. BOUVIER. Was there anything with relation to a local fire department for the purpose of meeting an emergency fire situation?

Maj. GOLDSMITH. Yes, sir. At the time I was at the hospital there was one fire station containing an American-La France triple combination wagon and one Seagrave triple combination wagon. Both those have gasoline-driven pumps on them. There was a fire marshal who impressed me very, very favorably. He was a man brought up in the Chicago fire department, and seemed to me to be very able. He had a force somewhat under what was considered adequate; and I wired on three successive days to Washington urging them to increase the fire force on the post, and that has already been done. I understand.

Senator FRANCE. Why did you do that?

Maj. GOLDSMITH. Because there were not enough men to man that apparatus.

Senator HARDWICK. Let me see. You went out there about three weeks ago?

Maj. GOLDSMITH. Yes, sir; I judge about three weeks ago.

Senator HARDWICK. What was the occasion of your visit out there?

Maj. GOLDSMITH. To go out and see that the buildings were being built particularly in regard to the incorporation of these fire-prevention measures which I approved of.

Senator HARDWICK. In other words, whether the buildings were safe from fire or not, or reasonably so, for the protection of the patients?

Maj. GOLDSMITH. Yes, sir.

Senator HARDWICK. That is what you went for, is it?

Maj. GOLDSMITH. Yes, sir.

Senator HARDWICK. Who sent you?

Maj. GOLDSMITH. Col. Gunby.

Senator HARDWICK. Is he the chief of your division?

Maj. GOLDSMITH. He is the chief of the Engineering Division.

Senator HARDWICK. At the request of the Secretary of War?

Maj. GOLDSMITH. That I do not know. He called me to his office and told me he wanted me—

Senator HARDWICK. He wanted you to go out and look at this Fort Sheridan project, and see whether it was a reasonably safe place for a hospital or not, so far as fire was concerned?

Maj. GOLDSMITH. No, sir; that had already been decided. He wanted me to go out there and see if the buildings were being constructed in detail as had been laid down and passed upon when the work started. In this construction work it is possible—I will not say that it is occurring very often—that fire stops might be left out, in the rush of completion. Your foremen and superintendents of the work do not in some cases appreciate the importance of these things.

Senator HARDWICK. In other words, you were to go out and examine into how the project had been executed along the line of making it safe from fire? Is that the idea?

Maj. GOLDSMITH. Yes, sir.

Senator HARDWICK. And the chief of your division had you do that?

Maj. GOLDSMITH. Yes, sir.

Senator HARDWICK. And you say that was about three weeks ago?

Maj. GOLDSMITH. Yes, sir.

Senator HARDWICK. Was it after this committee of ladies from Washington raised this question about this being a fire-trap proposition?

Maj. GOLDSMITH. Yes, sir.

Senator HARDWICK. Does it happen to come within your knowledge that it was done because of their complaint on that subject?

Maj. GOLDSMITH. Why, I assume that after the statements which were made in Washington they wanted to be absolutely sure that they were statements of facts.

Senator HARDWICK. I see. And you have found it necessary to adopt certain other measures since you went there?

Maj. GOLDSMITH. I should say that those were only for minor importance. The general hazard of the buildings—

Senator HARDWICK. You stated that you did adopt some measures, which you stated.

Maj. GOLDSMITH. Exits from the courts; yes, sir.

Senator HARDWICK. Exits, etc., and in the way of urging that the fire department be increased?

Maj. GOLDSMITH. Yes, sir; but that was already contemplated. I merely did that to speed up.

Senator HARDWICK. I am just trying to find out what you did, not why you did it. You did it in order to make the thing safe from fire, did you not?

Maj. GOLDSMITH. Yes, sir.

Senator HARDWICK. And you did it after these complaints were made?

Maj. GOLDSMITH. Yes, sir.

Senator TRAMMELL. Is it the policy of your department to inspect other similar institutions in course of construction or nearing completion?

Maj. GOLDSMITH. Yes, sir.

Senator TRAMMELL. To make inspections to see that these fire-preventive measures have been installed?

Maj. GOLDSMITH. Yes, sir.

Mr. BOUVIER. Can you, sir, give this committee a statement of the comparative safety of well-constructed frame buildings and joisted brick buildings?

Maj. GOLDSMITH. I believe I already have made that statement earlier. Would you like me to repeat it?

Mr. BOUVIER. I do not think Senator Lenroot was here, were you, when that statement was made?

Senator LENROOT. Yes; I was here.

Mr. BOUVIER. Then it is clear in your mind?

Senator FRANCE. Yes; it is clear, and was clear before.

Mr. BOUVIER. Then I will not make assurance doubly sure as to that.

Senator FRANCE. That is exactly what we wish to have avoided in this committee—repetition.

Mr. BOUVIER. Very good, sir. Now, have you any statistics or figures in relation to the material loss, if any, arising from fire in any or all of the sixteen-odd cantonments of the country?

Maj. GOLDSMITH. Yes, sir.

Mr. BOUVIER. Will you give it to the committee?

Maj. GOLDSMITH. When the cantonment work started it seemed very improbable that we could complete 16 frame camps, handling such an enormous amount of lumber, together with the rush of construction and the probable alien-enemy feature, and it was so serious that the insurance companies would not have considered insuring that for any reasonable feature—that is, during the progress of construction. The National Board of Fire Underwriters placed an engineer in each one, or in some cases an engineer went between two of those camps, to have the fundamental rules of fire prevention enforced as best they could. I say "as best they could" because they were not enforced; you could not enforce them under those conditions. Nevertheless, from the time the construction began until the 16 cantonments were turned over, built entirely of frame, our fire losses were under \$3,000. I can not give you the total estimated cost of those 16 camps, but it is something like \$100,000,000, say. That was unprecedented, that low loss, and simply shows what a little common sense will do when you are handling combustible materials. Now, the buildings which were constructed had many of the fundamental features, although being entirely of frame; and during the past year the fire loss per capita in these camps, figuring them at their authorized capacity, has been somewhere between 40 and 45 cents. Unfortunately the figures have not been worked up, and a large portion of that loss was in hay storage, which really should not be charged up against the frame construction. The loss in the United States during the same period was, I believe, \$3.42.

Mr. BOUVIER. What are the figures in relation to loss of life in these same cantonments and hospital service?

Maj. GOLDSMITH. To my knowledge, there have been only two lives lost. Those lives were lost in a building occupied by officers, and the officers had constructed themselves a fireplace in the building, a chimney out of cobblestones, and that building inside had some Christmas decorations in it, and on account of some defect, probably, in the chimney, the building caught fire, and these two men lost their lives. To my knowledge that is all the loss of life there has been in connection with fires in the camps.

Mr. BOUVIER. I think that is all.

Senator HARDWICK. Mr. Bennet, have you any questions?

Mr. BENNET. Yes.

Senator LENROOT. I should like to go just a bit further upon the rules of the Underwriters' Association, because the circular which you are to send us may not bring it out. I take it that the highest standard of fireproof construction in accordance with your rules would be class A?

Maj. GOLDSMITH. Yes, sir.

Senator LENROOT. And then class B, class C, etc.?

Maj. GOLDSMITH. Yes, sir.

Senator LENROOT. Can you tell us what rating in these standards the Fort Sheridan Hospital would take?

Maj. GOLDSMITH. Practically the highest under the frame construction.

Senator LENROOT. I should be glad if you would just give us A, B, C, D. What would be the relation between the standard of Fort Sheridan and A, the highest class of fireproof construction?

Maj. GOLDSMITH. I could not do that, sir. I can not recall the relative class between the frame and your class A.

Senator HARDWICK. I will tell you how you can meet that, I think, Senator. When you send up this printed information which you are going to let us have on this subject, can you not indicate on that in which class Fort Sheridan comes?

Maj. GOLDSMITH. Yes, sir; I shall be glad to do that.

Senator LENROOT. If you will do that, that will be satisfactory.

Mr. BOUVIER. There were apparently some words used by you—I do not know whether it was in direct statement or whether parenthetically, or what—of “enormously hazardous.” What, if any, application did those words have to the situation which we are discussing? Senator France stated that you used the words “enormously hazardous.” It was not in relation to any of these buildings, was it?

Maj. GOLDSMITH. I do not recall that I used them.

Mr. BOUVIER. Well, the Senator quoted you, and I do not doubt that he quoted you correctly and accurately.

Maj. GOLDSMITH. Can you recall the connection in which I used them?

Senator FRANCE. You stated that you did not consider that it was such an enormously hazardous proposition.

Maj. GOLDSMITH. That was in comparing it with frame buildings that did not have all these fire-preventive features. If those were not incorporated, those buildings would be enormously hazardous, because the fire could sweep from end to end, and from top to bottom; but with your fire stops, that is an impossibility.



Mr. BOUVIER. In other words, these very preventive measures destroy that enormous hazard which otherwise would exist if these various preventive measures had not been adopted? Is that right?

Maj. GOLDSMITH. Exactly, sir.

Mr. BOUVIER. That is all.

Senator HARDWICK. Have you anything, Mr. Bennet?

Mr. BENNET. In addition to being 50 feet apart, these buildings are all connected by wooden bridges, ramps, or railings, are they not?

Maj. GOLDSMITH. Yes, sir; they are.

Mr. BENNET. And of what material are these bridges, railings, and ramps constructed?

Maj. GOLDSMITH. Of wood.

Mr. BENNET. What kind of wood—pine, hardwood, fir, or what?

Maj. GOLDSMITH. I should not want to designate the kind of wood. They are not hardwood, sir. They are softwood.

Mr. BENNET. Softwood of some description?

Maj. GOLDSMITH. Yes, sir.

Mr. BENNET. And at one end of these buildings—the plans having been constructed to locate these buildings on level ground—at one end of the buildings the first floor is some 14 to 16 feet above the level of the ground, is it not?

Maj. GOLDSMITH. Yes, sir; I should say about that.

Mr. BENNET. Supported on posts?

Maj. GOLDSMITH. Yes, sir.

Mr. BENNET. If fire started in that end of the building, and there was a fall or anything of that sort, would not that throw out of operation practically all of your fire walls and your sprinkler system?

Maj. GOLDSMITH. Eventually, if nothing was done to extinguish the fire, it would.

Mr. BENNET. Yes. So if it got to be a serious fire in that end of the building, it would cause a settling of that building and disarrange the floor timbers and things of that sort—all your fire walls, all your sprinkler systems, etc.?

Maj. GOLDSMITH. The fire walls, according to my memory, are not in that end of the building; are they sir? The head house is on the other end of that building, that is highest from the ground, according to my recollection.

Mr. BENNET. Of course, just common sense teaches us that in a building, a rigid building, if anything happens that throws the huge floor timbers out of position it disarranges the entire interior close-fitting arrangements. There is no doubt about that. You do not have to be an expert to know that; do you?

Maj. GOLDSMITH. No, sir; but it would be my opinion that there would be very little more damage whether the building was 8 or 10 feet off the ground or 4 or 5 feet, if your fire had attained that stage; but that all presupposes that nothing is to be done to extinguish a fire.

Mr. BENNET. It all presupposes, to be fair, that there is a hot fire in that end of the building. That I am frank about. Now, just another question.

Mr. BOUVIER. Well, it not only presupposes that there is a hot fire, but that no effort has been made to do anything with it.

Senator HARDWICK. Well, gentlemen, those are inferences.

Mr. BENNET. That is argument. Of course, this building could not be constructed for hospital purposes within the city of Chicago, could it?

Maj. GOLDSMITH. From my knowledge of the city of Chicago building code, I should say not. However, many exceptions are made to building codes in case of emergency.

Mr. BENNET. If the commissioner of buildings writes a letter, which is in the record, in which he says:

"I will advise you further that no frame buildings can be erected within the city of Chicago for hospital or similar purposes"—

You would have no doubt that he is stating what is the fact?

Maj. GOLDSMITH. Absolutely none, sir.

Mr. BENNET. Just one other question. There was one assumption in counsel's question that possibly is not justified. Do these hospitals represent the heaviest form of wooden construction or the lightest?

Maj. GOLDSMITH. The building is constructed heavily enough to carry its load. If we were making a frame warehouse we would have a heavier construction to carry the load.

Mr. BENNET. Surely; you would have heavier timbers?

Maj. GOLDSMITH. Yes, sir.

Mr. BENNET. And you probably would not have seven-eighths clapboards in the building of western fir, would you?

Maj. GOLDSMITH. I do not know that that would govern the outside walls.

Mr. BENNET. You would have heavier timbers, anyway? That is the main thing.

Maj. GOLDSMITH. Yes, sir; if we were carrying a heavier load.

Senator FRANCE. Major, have you examined the Greenhut store property in connection with your examination of the character of hospital buildings so far as their fire-resisting qualities are concerned?

Maj. GOLDSMITH. No, sir; I have not had a chance to do that, sir.

Senator FRANCE. You have no knowledge of that?

Maj. GOLDSMITH. No, sir.

Senator FRANCE. You have never examined that building in connection with your duties with the insurance companies?

Maj. GOLDSMITH. No, sir.

Senator HARDWICK. Did you examine the Field Museum property with that view.

Maj. GOLDSMITH. No, sir; I did not. I have been in the Field Museum, but I did not go there for that purpose.

Senator HARDWICK. You have only conducted examinations of this character where complaint was there? Is not that true?

Maj. GOLDSMITH. No; I do not think that would be a statement of fact.

Senator HARDWICK. Well, do you do it generally?

Maj. GOLDSMITH. At the present time two engineers are out making inspections.

Senator HARDWICK. Of that character?

Maj. GOLDSMITH. Of this character, and other inspections have been made from time to time.

Senator HARDWICK. Why did you not examine the Greenhut property?

Maj. GOLDSMITH. Because it did not happen to be assigned to me.

Senator HARDWICK. I mean, did your department, your division, do it?

Maj. GOLDSMITH. I can not answer the question, because I do not know. I should go on the assumption that that was submitted to the bureau.

Senator HARDWICK. Are you the head of the bureau?

Maj. GOLDSMITH. No, sir; Mr. Noel, of the National Board of Fire Underwriters, is the civilian head of it.

Senator HARDWICK. Who is the military head of it?

Maj. GOLDSMITH. I am assigned as a fire-prevention officer in uniform. The principal part of my duties are in connection with the fire protection in regard to water supply.

Senator HARDWICK. Are the records of that office under you?

Maj. GOLDSMITH. No, sir; they are under Mr. Noel.

Senator HARDWICK. So, of course, he would have access to the reports to show whether these inspections were made with reference to these various other hospital projects, would he?

Maj. GOLDSMITH. Yes, sir.

Senator HARDWICK. And that does not come within your knowledge?

Maj. GOLDSMITH. No, sir. There has been necessity of making so many of these inspections that not only have the men in that bureau done so, but the insurance companies have called in their local inspectors here, there, and everywhere to make inspections and reports, and they are made through Mr. Noel's office.

Senator HARDWICK. I see. You would not have that information yourself?

Maj. GOLDSMITH. No, sir.

Senator HARDWICK. All right.

Senator LENROOT. Would the insurance company inspectors have the report in regard to Fort Sheridan?

Maj. GOLDSMITH. I do not think they have made inspections out there, sir. I would not want to answer that as a fact at all.

Senator LENROOT. The Government does not insure its buildings?

Maj. GOLDSMITH. No.

Mr. BENNET. May I ask just one question?

Senator HARDWICK. Certainly.

Mr. BENNET. Would it be any trouble, when you are sending the information which the committee has asked for in relation to standards, to include a comparison of the rates which the fire insurance companies would place on these buildings with the rates which they would place on a building in a similar territory which was constructed of reinforced concrete, in which there was no wood except some wooden rafters in the roof above a concrete underroof, and having heavy oak flush doors as the only wood in the interior construction? You could furnish that information, could you?

Maj. GOLDSMITH. I would be glad to endeavor to do so, but I should have to get that from the Chicago board, sir.

Senator HARDWICK. You mean the Chicago rate on that sort of building?

Maj. GOLDSMITH. Yes, sir.

Mr. BENNET. If it would take any length of time, I will not ask to have it done. I thought maybe you had it accessible.

Senator FRANCE. Is it not true that after communities reach a certain size, and the buildings approach one another within certain limits, the regulations of the insurance companies as well as the regulations of the city authorities become more stringent as to the character of the construction?

Maj. GOLDSMITH. Yes, sir; I think you can say that as to the insurance companies, and they are all the time endeavoring, through the committee of fire prevention, to have these standards which I will send you adopted.

Senator FRANCE. In other words, the nearer buildings approach to each other and the more congested they are, if I may use that term, the greater the necessity for their being fire resistant; is not that a general principle?

Maj. GOLDSMITH. It is a general statement of fact; yes, sir.

Senator LENROOT. With reference to Mr. Bennet's question, would it be possible for you to furnish the comparison that he requested with reference to this territory, assuming that the buildings were located in this territory?

Mr. BENNET. In Washington?

Senator LENROOT. In Washington.

Maj. GOLDSMITH. Yes, sir; I believe I can do that. I will endeavor to do so.

Senator HARDWICK. All right. The committee excuses you, with its thanks for your testimony.

**TESTIMONY OF COL. W. A. STARRETT, CHAIRMAN OF THE EMERGENCY CONSTRUCTION COMMITTEE, WAR INDUSTRIES BOARD.**

(The witness was sworn by the chairman.)

Mr. BOUVIER. Were you at any time ever requested to make an inspection or an investigation of a proposed hospital site on what has been commonly designated the Speedway?

Col. STARRETT. Yes, sir.

Mr. BOUVIER. And do you recollect when it was that you initiated that investigation?

Col. STARRETT. On September 20, 1918.

Mr. BOUVIER. On whose request or direction, if it was a matter of direction?

Col. STARRETT. Mr. William Hare, Assistant Secretary of War's office.

Mr. BOUVIER. What did you do in correspondence with the request?

Col. STARRETT. I went immediately to Chicago and made an investigation.

Mr. BOUVIER. Will you just state how long your investigation continued, and what you did during the course thereof, and the time employed therein?

Col. STARRETT. It continued from Friday morning, September 20, through until Sunday noon, September 22, as far as the investigation was concerned. I was there two and a half days, and came immediately back to Washington.

Mr. BOUVIER. What were the propositions which you were particularly investigating?

Col. STARRETT. There were three—the Speedway proposition, the possibility of reconstructing the old Field Museum in South Park into a hospital—

Mr. ADCOCK. In Jackson Park.

Col. STARRETT. In Jackson Park; yes; and the temporary hospital at Fort Sheridan.

Mr. BOUVIER. And the capacity was based upon what, so far as the Speedway was concerned?

Col. STARRETT. Two thousand five hundred beds.

Mr. BOUVIER. State what you did the first days you were there, so far as you can recall.

Col. STARRETT. I went to Chicago and immediately got in touch with several of my friends there, to start the investigation. This matter had been pretty widely ventilated in the newspapers of Chicago, and I wanted to get at the facts as quickly as possible.

I first went to the office of a friend of mine who is a lawyer in Chicago, a man of high standing.

Senator HARDWICK. Mr. Bouvier, without duplicating the things contained in the report we have before us, and which we will consider, suppose you ask him about the things that are not covered in the report; for instance, who these people were whom he communicated with.

Senator FRANCE. Yes; what were their names. That is very important.

Mr. BOUVIER. I wanted to show what the investigation was, so far as the various features were concerned.

Senator HARDWICK. The report shows that.

Mr. BOUVIER. State the names of the persons with whom you conferred.

Col. STARRETT. The person I have just referred to is Richard Sherman, of the firm of Teney, Sherman & Harding.

Senator HARDWICK. He was the first man you spoke to about it?

Col. STARRETT. He was the first man I spoke to about it. I wanted to get a good entrée to the subject, and I knew that he was well posted on all things in Chicago.

Senator HARDWICK. That is a large order, to be well posted on all things in Chicago.

Col. STARRETT. It is a large order. He is quite a prominent citizen.

Mr. BOUVIER. After you had consulted with him did you consult with anybody else?

Col. STARRETT. Yes.

Mr. BOUVIER. Just state who they were, without stating what they said.

Col. STARRETT. He was somewhat familiar with the project—had read about it in the newspapers—and told me that his partner, Mr. Teney, was very familiar with it also. Mr. Teney was in an adjoining office, and he asked him to come in.

Senator HARDWICK. You talked with him about it?

Col. STARRETT. Yes.

Senator FRANCE. Did you give the full names of both of these people?

Col. STARRETT. The firm is Teney, Sherman & Harding.

Mr. BENNET. Was that Horace K. Teney?

Col. STARRETT. I do not know.

Senator FRANCE. What is his address?

Col. STARRETT. No. 137 South La Salle Street, I think.

Mr. ADCOCK. In the Home Insurance Building.

Col. STARRETT. Mr. Teney had some opinions about the project.

Mr. BOUVIER. You need not state the opinions, but state the facts as to what was done.

Col. STARRETT. He referred me further to the Union League Club, where further opinions were held by citizens of high standing. I received those.

Senator HARDWICK. Whom did you see at the Union League Club?

Col. STARRETT. I saw the president, Mr. Johnstone. I think that is his name.

Senator HARDWICK. Yes.

Col. STARRETT. Mr. Allen V. Pond and one or two other gentlemen whose names I do not recall, but those in particular. They were officials of the club whom I saw.

Mr. BOUVIER. Did you also examine any documents at the club?

Col. STARRETT. Yes. May I, to get quickly along, say that I also, from Sherman's office, called up Mr. Felt, who was the regional director of the War Industries Board?

Mr. ADCOCK. Mr. Dorr E. Felt?

Col. STARRETT. Yes. I was aware that Mr. Felt had knowledge on this subject, because he had communicated with the War Industries Board about it; I do not know how, because I got it only verbally. I had been told before I left, by Mr. Legg, of the War Industries Board, that this project was up and was under suspicion, and he referred verbally to a report coming from Mr. Felt, the regional director of the War Industries Board; so that I got in touch with him by telephone, and it was a conversation from Mr. Sherman's office.

I then proceeded to the Union League Club and met the men whose names I have given here, and all of the information that I got was tending to cast discredit on this operation. It was stated generally by all of them that the—

Senator FRANCE. Now, Colonel, before you go into that, if I may interrupt you, will you continue your catalogue of the names of the persons you interviewed? Then you can take up the subject of the conclusion. After you left the Union League Club, where did you go?

Col. STARRETT. I went to Mr. Felt's office, and met Mr. Felt and three of his principal assistants.

Mr. FRANCE. Who were they?

Col. STARRETT. I will have to get you those names. I tried to get them coming down here, and I can not remember them. I will have to get them from the War Industries Board. One of them was Mr. Jamme, who was the principal assistant to Mr. Felt.

Senator HARDWICK. Were there any others?

Col. STARRETT. I can not recall any others. There were five or six men.

Senator HARDWICK. I mean, have you named all of these men that you met and talked with, on whose statements you based your report?

Senator FRANCE. Do you remember all the men that you met in that office?

Col. STARRETT. I remember all that I met in that interview.

Senator FRANCE. Proceed. What others?

Col. STARRETT. I talked to Mr. Felt about the matter at very considerable length, and saw various documents that he had there and got his opinion of it, and that about finished my day's work, the first day.

Mr. BOUVIER. That is the first day?

Col. STARRETT. Yes.

Mr. BOUVIER. Now, the second day?

Col. STARRETT. During this first day's interviews I made an appointment with Mr. Felt to go in his automobile out to the site the following morning, which was Saturday, and we were to take with us a doctor, whose name I can not supply.

Senator HARDWICK. What doctor?

Col. STARRETT. One of the doctors there in Chicago who had been called on by Mr. Felt to express his opinion about this.

Senator HARDWICK. About this property?

Col. STARRETT. Yes; about this project.

Senator FRANCE. Is he connected with the Army in any way?

Col. STARRETT. No; I do not think he is. I think his connection was with Mr. Felt as a member of the War Industries Board.

The next morning—by the way, that night I made a long telegraphic report to Mr. Hare about my observations of the first day.

Senator FRANCE. That was the first and only telegram?

Col. STARRETT. The only telegram.

Senator HARDWICK. Then you made a full report subsequently?

Col. STARRETT. Yes; that was the first report, and it was the only one by telegraph.

Senator FRANCE. You had not investigated the project that first day to any great extent?

Col. STARRETT. Oh, yes; I had investigated it. I was investigating all the time, and talking about it.

Senator HARDWICK. All right; now go to the next day.

Col. STARRETT. The second day we went out to the site in Mr. Felt's machine. On the second day Col. Wright, of the construction division, who has supervision over hospital construction in that territory, was one of the party. Also, this doctor whom we picked up, and whose name I shall supply.

We got out there. I saw the building. I met Mr. Shank and met his two sons and one or two members of his organization. That day's work was intended to be an investigation of the physical conditions of this building, and we confined ourselves largely to that. I talked with Mr. Shank at great length—exchanged views with him about it. He was very much concerned about the lack of progress, and he might well have been, because he was having his priority orders for material shut off; and finally, to conclude as to my acquaintance with Mr. Shank, I rode back home into Chicago with him in his automobile. I gained a very complete and satisfactory impression of the situation out there.

Senator HARDWICK. From what other parties in Chicago did you get information on which you based this report, before you returned, besides those you have named?

Col. STARRETT. In Chicago?

Senator HARDWICK. Yes.

Col. STARRETT. No others.

Senator HARDWICK. No others, except those you have mentioned to the committee now?

Col. STARRETT. No, sir.

Senator FRANCE. Did you get information from anyone else in any other city?

Col. STARRETT. No, sir.

Senator FRANCE. You said "in Chicago."

Col. STARRETT. You must bear in mind that I had come into this matter very suddenly; I did not know anything about it. I was given perhaps one or two days on it just in the most random way and then ordered to Chicago to do this work.

Senator FRANCE. Did you ever talk to Mr. Trainer?

Col. STARRETT. No; not on this subject.

Senator FRANCE. Or with anyone who had talked with him on this subject?

Col. STARRETT. No.

Senator HARDWICK. Did you speak to Mr. Wallace Clark about it?

Col. STARRETT. No.

Senator FRANCE. Did you ever talk with Maj. Hornsby on the subject matter referred to, or Mr. Hodge?

Col. STARRETT. Hodge? I do not believe so. I do not know who he is.

Senator FRANCE. You could not have talked with any one of these gentlemen or received any communication from anyone, either directly or indirectly, prior to this time?

Col. STARRETT. No, sir.

Senator FRANCE. Did you talk with Mr. Heckman?

Col. STARRETT. Yes; I went out to see Mr. Heckman in his home in the little town of Ogden, in Illinois, and we sat up late at night, almost all night, talking about it. I had got in touch with Mr. Heckman because I wanted to get somebody with whom I could discuss the facts and whose judgment I could get, and Mr. Heckman had been recommended to me as a man of the highest reputation.

Mr. BOUVIER. You did that with him?

Col. STARRETT. Yes; I wanted to get the benefit of his judgment.

Senator HARDWICK. I think, in the interest of saving time, it will not be necessary to put the colonel through direct and cross-examination on matters and facts that are already before the committee. If there is anything new, anything that is not contained in the report, I would like to have you cover it.

Mr. BOUVIER. Yes. Perhaps it would be only proper in this connection, however, to recall to the colonel that he likewise had a conversation with a counsel of the biscuit company with whom Mr. Shank had done business.

Col. STARRETT. Yes; I did.

Senator HARDWICK. Who was he?

Col. STARRETT. Mr. Robert A. Hall. His title is given in here, and he is a man of standing and responsibility.

Senator HARDWICK. Did you also interview the forest-reserve commissioners of Cook County?

Col. STARRETT. No; I got from Mr. Felt statements that they had made.



Senator HARDWICK. That who had made?

Col. STARRETT. The forest-reserve commissioners of Cook County, concerning this land. You see, I had to act quickly, and I took all the short cuts possible.

Mr. BOUVIER. Did you see Mr. Clark, the engineer?

Col. STARRETT. No; I included in my report a report from Mr. Clark, but I did not see him to speak to.

Mr. BOUVIER. Now, you have stated in one part of your report, which the chairman read in order to identify the report, some days ago, a conclusion, I believe, running to this effect:

In view of the foregoing I am prepared to advise that, standing on its own merits, the deal is an equitable one for the Government.

Will you please state what the qualifying clause imported in your mind, "standing on its own merits"?

Senator HARDWICK. What you refer to is in reference to the Speedway hospital project?

Col. STARRETT. I was not in any way considering the relative merits of these various hospitals. The question really to be discussed was whether or not there was some improper deal being put over on the Government.

Senator HARDWICK. Exactly.

Col. STARRETT. That was the only thing.

Senator HARDWICK. And you were reporting that that was not true, in your opinion?

Col. STARRETT. Among the many rumors that had come in there was one that there was an excessive profit for the contractor in this operation, and that was really the center of my interest.

Senator HARDWICK. After your investigation you did not think so?

Col. STARRETT. No; I did not think so. I thought it was good value for the Government if the Government decided to go ahead with it.

Mr. BOUVIER. You were not there determining the comparative merits as between a permanent structure on the one hand and a temporary structure on the other?

Col. STARRETT. No; I had nothing to do with that.

Mr. BOUVIER. You made an observation at the foot of page 4 of your report under the caption as to the contract price of \$2,500,000 [reading]:

Like all contracts made before plans and specifications are prepared, this contract leaves much to be desired.

Will you expand that a little more?

Col. STARRETT. I had been given a copy of the contract, which was a very general contract. It intended to cover a lot of free suppositions as to what would be built, and without describing the necessary materials or how the work was to be performed, and it is a dangerous form of contract, and I put the Secretary of War on notice on that point.

Mr. BOUVIER. In order to avoid delay in time, I will ask you a general question: In so far as your report of September 24, 1918, is concerned, the things which you have reported are things that you have learned as the result of your investigations; not that you have learned as to the truth of them, but when you say, "Mr. Jones

told me so and so," you are correctly reporting what Mr. Jones told you, whether the fact is that it is true or not?

Col. STARRETT. Yes.

Mr. BOUVIER. That is correct?

Col. STARRETT. Yes; because I was drawing my own conclusions.

Mr. BOUVIER. In other words, you have included nothing in this report beyond the things you actually learned from the various sources with which you were in communication, is that correct?

Col. STARRETT. Yes.

Mr. BOUVIER. Then did you return?

Col. STARRETT. Yes; I came back to Washington and reported to Mr. Hare first thing on Monday morning as soon as my train got in. I went then and prepared my report, which I delivered to him on the 24th of September.

Senator HARDWICK. That report still represents the conclusion you formed from the opinions of those persons in Chicago whom you met, and from the investigations you made of the whole matter there, and their representations?

Col. STARRETT. Yes, sir.

Senator HARDWICK. Can you add anything to it or take anything from it?

Col. STARRETT. No, sir.

Senator HARDWICK. It stands, then, to-day as what you believe about this matter from what you learned there?

Col. STARRETT. Yes. You see, I came right back and made my report, and then dismissed the business from my mind.

Senator HARDWICK. That rests almost wholly on opinions expressed to you by other people, does it not?

Col. STARRETT. No; not at all. I made my own examination.

Senator HARDWICK. Your examination, however, was simply an examination of what various people reported about matters connected with the atmosphere of this whole project?

Col. STARRETT. Yes.

Senator HARDWICK. And then, as to the physical examination of the property itself, so far as you could make it in a day?

Col. STARRETT. You can see that that was the crux of my investigation.

Senator HARDWICK. That is the basis of your investigation.

Col. STARRETT. Yes.

Senator HARDWICK. So that your report rests on that?

Col. STARRETT. Yes.

Senator HARDWICK. But so far as representing a true and accurate picture of the conclusions you came to from what you heard and saw, that report still represents your view about the matter?

Col. STARRETT. Yes.

Senator HARDWICK. And you do not want to add to it or take from it, you say?

Col. STARRETT. No, sir.

Senator HARDWICK. It looks to me as though that covers the whole ground.

Mr. BOUVIER. Yes; except the explanation as to the deal "standing on its own merits," that qualifying clause.

Senator HARDWICK. Yes.

Mr. ADCOCK. You made no examination of the new Field Museum matter, did you? Your reference was entirely to the old Field Museum building?

Col. STARRETT. Yes. As a matter of fact, I saw the museum, but it was not within the purview of my instructions, and I did it largely to post myself.

Mr. ADCOCK. So that you were only to examine with regard to the old Field Museum?

Col. STARRETT. The old Field Museum in South Park.

Mr. ADCOCK. Which was the building constructed during the world's fair?

Col. STARRETT. Yes.

Mr. ADCOCK. Did you make any determination of the value of the land?

Col. STARRETT. Of the Field Museum?

Mr. ADCOCK. Of the Speedway land.

Col. STARRETT. Oh, yes; I reported that from the best information I could get there; the proposed price was a fair one.

Senator HARDWICK. Are there any other questions for this witness?

Mr. BOUVIER. That was \$600 per acre?

Col. STARRETT. Yes.

Mr. ADCOCK. You had the valuation of the forest reserve commissioners in connection with that land?

Col. STARRETT. Yes; Mr. Felt had several valuations in his office on which he relied, and this was the most significant one, and I took it from his files and forwarded it to Mr. Hare.

Mr. ADCOCK. Just a question, so that the committee may understand what the forest reserve commission is. It is an organization to acquire lands throughout Cook County for park purposes?

Senator HARDWICK. Yes.

Mr. BENNET. You have no personal knowledge who this Mr. Clark was?

Col. STARRETT. Yes; I knew that he was of the firm of Clark & Trainer.

Mr. BENNET. Wallace Clark?

Col. STARRETT. Yes; Mr. Clark. I was told that he was Mr. Clark, an engineer. I did not see him in connection with this. Mr. Felt explained who the man was, and I had met him before.

Mr. BENNET. I just wanted to get the record straight. The Mr. Clark whose opinion is quoted in the record—was that Mr. Wallace Clark?

Col. STARRETT. Yes.

Mr. BENNET. But you had no personal interview with him?

Col. STARRETT. There was an appraisal there, in writing, which I took from Mr. Felt's records and incorporated in this. Am I mistaken about that? I thought it was Mr. Wallace Clark.

Mr. BENNET. You said you had an appraisal by him?

Col. STARRETT. Yes.

Mr. ADCOCK. The Clark that you referred to was the engineer of the Forest Reserve, was he not?

Col. STARRETT. Well, yes; the one who was connected with the Forest Reserve and who made this document which I brought back and delivered with this report.

Mr. ADCOCK. And he occupied the official position of engineer of the Forest Reserve Commission?

Col. STARRETT. Yes; he was the engineer.

Senator HARDWICK. Whatever his name was, he occupied that position?

Col. STARRETT. Yes; and I did not know until this moment that that Mr. Clark was not the Clark of Clark & Trainer.

Senator HARDWICK. You thought it was this man?

Col. STARRETT. Yes.

Senator HARDWICK. You knew who he was?

Col. STARRETT. Yes; I had met him.

Senator HARDWICK. And whether he was an engineer or not, you thought that he was the Mr. Clark of Clark & Trainer?

Col. STARRETT. Yes; I thought he was the engineer of the Forest Reserve.

Senator HARDWICK. You thought he was the same man?

Col. STARRETT. Yes.

Mr. BENNET. As a matter of fact, our information is that there is no engineer by the name of Clark who was ever the engineer of the Forest Reserve—was not then and is not now. You will find that to be true if you look it up in Chicago.

Col. STARRETT. Then I am mistaken.

Senator HARDWICK. The important thing, I think, in my mind was that you thought it was Mr. Wallace Clark.

Col. STARRETT. Yes. The name was the same; he was an engineer out there.

Senator HARDWICK. And you had a right to rely on his judgment, you thought?

Col. STARRETT. Yes; and moreover, he was vouched for by Mr. Felt, who was a very substantial person out there.

Mr. BENNET. Upon Mr. Felt's report and upon what you thought was Mr. Wallace Clark's report you reported that this \$600 an acre was a very reasonable valuation from the standpoint of the Government?

Col. STARRETT. Yes; I would like to say that it would not have changed my opinion had I known the identity of Mr. Clark, because it was the office and the source from which it came——

Mr. ADCOCK. It was the information——

Mr. BENNET. I protest that I did not interrupt Mr. Adcock, and I would like to ask one consecutive question without interruption.

Mr. BOUVIER. One consecutive question is good.

Mr. BENNET. I have not been able to ask one, so far.

Senator HARDWICK. Proceed.

Mr. BENNET. Now, in relation to the physical condition and the location of the place and the price which the Government was paying, you reported that from the Government's standpoint it was a good proposition, in your judgment.

Col. STARRETT. Yes. Just let me qualify that.

Mr. BENNET. Surely.

Col. STARRETT. I was testifying as to the value of that proposition.

Mr. BENNET. I understand.

Col. STARRETT. It was not that it was a good hospital. It might have been a very poor hospital for the purposes of the Surgeon

General. I was not passing on that proposition at all. I was trying to get this information for the Secretary of War so as to assure him that the contractor was not making an inordinate profit, and that if he wanted to go into that deal he could rely on it that the value was there.

Mr. BENNET. Was there any particular reason why you looked up Mr. Sherman in Chicago?

Col. STARRETT. I have known him all my life.

Mr. BENNET. While you were in Chicago did you consult with any man who had done business with Mr. Hines?

Col. STARRETT. Yes.

Mr. BENNET. Who was he?

Col. STARRETT. These men at the Union League Club, whose names I had.

Mr. BENNET. Did this gentleman you have named tell you that the business he had had with him was a bitter lawsuit, of the Union National Bank versus Edward Hines, reported in 177, Law Reporter?

Col. STARRETT. No, sir.

Mr. BENNET. He did not tell you that?

Col. STARRETT. No, sir; I do not recall that he did.

Mr. BENNET. You knew that there had been a bitter political—what shall I call it—mix-up, between the Union League Club and Mr. Edward Hines some seven years before, and they showed you the record, did they not?

Col. STARRETT. Yes.

Mr. BENNET. After that was done, did you not think that it was only fair to have looked up some people who had not been involved in that Union League fight?

Col. STARRETT. Yes; I did, and I went——

Mr. BENNET. To whom did you go?

Col. STARRETT. I first went to Chief Bielaski, Chief of the Secret Service, by telegraph.

Mr. BENNET. What did he say?

Col. STARRETT. He put me in touch with his Chicago representative.

Mr. BENNET. What is his name?

Col. STARRETT. Clabaugh.

Mr. BENNET. And did you interrogate him in relation to Mr. Hines?

Col. STARRETT. Yes.

Mr. BENNET. There are business people in Chicago, bankers and contractors, and men of that character. Did you consult with any of them?

Col. STARRETT. I do not recollect that I did then; no.

Mr. BENNET. Do you know a large contracting firm known as the Thompson-Starrett Co.?

Col. STARRETT. Yes; I know them very well.

Mr. BENNET. You are not connected with that firm in any way?

Col. STARRETT. Not in any way.

Mr. BENNET. But it is a large and reputable firm?

Col. STARRETT. Yes.

Mr. BENNET. Do you know another firm known as the George A. Fuller Co.?

Col. STARRETT. Yes.

Mr. BENNET. Did you consult anybody connected with them?

Col. STARRETT. No.

Mr. BENNET. They are a large contracting firm?

Col. STARRETT. Yes.

Mr. BENNET. Do you know anybody in the lumber business?

Col. STARRETT. I probably do, but I can not recall any now.

Mr. BENNET. Did you consult anybody in the lumber business in relation to Mr. Hines?

Col. STARRETT. No.

Mr. BENNET. And you were sent to Mr. Heckman by Mr. Teney?

Col. STARRETT. Yes, sir.

Mr. BENNET. And you went out to Oregon, Ill., and talked practically the whole night to Mr. Heckman?

Col. STARRETT. Yes.

Mr. BENNET. Mr. Heckman says that all he said to you was, with regard to Mr. Hines, that he was an able, resourceful man, and therefore in an ordinary matter a man who was less able and less resourceful—

Mr. BOUVIER. I think that is inaccurate, because Mr. Heckman was asked to explain how he regarded Mr. Hines, and he said, "I regard him"—and then with more of an expression of face than of words he continued "a resourceful man."

Senator HARDWICK. This witness can not help you to settle that matter.

Mr. BOUVIER. The question assumes something that is not in the testimony in the case.

Mr. BENNET. I will withdraw it entirely.

You did talk with Mr. Wallace Heckman practically all night in relation to the matter?

Col. STARRETT. Yes.

Mr. BENNET. Did Mr. Heckman inform you that he had been one of the committee in this Union League Club row?

Col. STARRETT. I do not think he did.

Mr. BENNET. When I tell you that he was, if you will accept my assurance—

Senator HARDWICK. That does not matter.

Mr. BENNET (continuing). And that Mr. Pond and Mr. Teney were also members of that committee—

Senator HARDWICK. If the witness does not know it, he can not say.

Mr. BENNET. Did you know that at that time?

Col. STARRETT. I did not, regarding Mr. Heckman. I did know, as regarding Mr. Pond, and my impression is, regarding Mr. Johnstone.

Mr. BENNET. And when they showed you the records at the Union League Club with regard to Mr. Hines did any of them tell you that the committee of the Senate of the United States investigating the same matter arrived at exactly the opposite conclusion?

Col. STARRETT. I do not recall now.

Mr. BENNET. Do you know Mr. Ernest Graham, the architect, in Chicago?

Col. STARRETT. Yes.

Mr. BENNET. How frequently during the summer of 1918 did you see him, if at all?

Col. STARRETT. Not at all.

Mr. BENNET. Do you know Mr. Jarvis Hunt?

Col. STARRETT. Yes.

Mr. BENNET. How many times during the summer of 1918 did you see him?

Col. STARRETT. Just about the later time, I saw him frequently. He was here in Washington concerning a hospital project he wanted the Government to accept.

Mr. BENNET. He had what he called the butterfly plan, did he not?

Col. STARRETT. Yes.

Mr. BENNET. How long, in the summer of 1918, so far as you knew—within your knowledge—was he here in Washington?

Col. STARRETT. Of and on for a month.

Mr. BENNET. That would be around August?

Col. STARRETT. Yes.

Mr. BENNET. Of 1918?

Col. STARRETT. Yes.

Mr. BENNET. Of course, the question of approving his contract would not come within your official duties unless you were asked to inspect it; and you never were asked to inspect it?

Col. STARRETT. Never officially. I knew what he was doing, and on one or two occasions they asked me to look into a list of contractors he was presenting.

Mr. BENNET. After you had seen these people in Chicago, you had a telephone conversation with Mr. Hines?

Col. STARRETT. Yes; in New York, when I got back. I tried to reach Mr. Hines at his house on the Sunday morning I speak of, and I was not able to do it.

Mr. BENNET. And did not Mr. Hines say to you over the telephone, the time you got him in New York, that he would be glad to come to Washington or anywhere else you wanted him, in order to answer any questions personally?

Col. STARRETT. Yes.

Mr. BENNET. What did you tell him?

Col. STARRETT. Well, I am frank to say I can not remember just what did happen. It was a conversation over the telephone. I had wanted to get in touch with him, and the reason for my doing it was, I was not satisfied by my conversation with Mr. Shank.

Mr. BENNET. And if I make the statement to you that you called Mr. Hines over the telephone—

Senator HARDWICK. Just ask him in a leading way.

Mr. BENNET. I did, but he says that he can not answer.

Col. STARRETT. It is quite vague in my mind.

Senator HARDWICK. That is not the proper way to question a witness.

Mr. BENNET. Did you not tell Mr. Hines over the telephone that it was not necessary for you to see him or for him to answer any questions other than over the telephone?

Col. STARRETT. I probably did.

Mr. BOUVIER. One question that I omitted. Is it true that the Speedway is not a fireproof affair from the standpoint of the requirements of the fire underwriters?

Col. STARRETT. As I saw the plans, it was of fireproof material. I do not recall that it was in the true sense a fireproof hospital.

Mr. BOUVIER. In what respect? Just tell us, now. I am unfamiliar with the symptoms.

Col. STARRETT. In discussing fireproof, if you are speaking in the strict sense of the word, the way it is talked of among engineers, fireproof not only means the materials, but the arrangement of the building, the number of closed stairways and fire doors, and what Maj. Goldsmith has testified to. That is what makes a building fireproof, and the character of the materials does not constitute it fireproof.

Mr. BENNET. What, if any, were the departures from the fireproof as it is understood among engineers in the arrangement of the Speedway Hospital?

Col. STARRETT. I have not the plans before me, but I recall that in the plans were long uninterrupted corridors without the required number of fire walls in them; the stairways were open without proper protection around them; they did not exit outside of the building as would be required in a hospital construction to be fireproof. Those are just random observations. I would have to see the plans to go into detail.

Mr. BENNET. If the plans should turn out to show that there were no long uninterrupted corridors and no uninclosed stairways—

Col. STARRETT. That there were no inclosed stairways, I said.

Mr. BENNET. Inclosed stairways; yes.

Col. STARRETT. Yes.

Mr. BENNET. Of course then your opinion would be different?

Col. STARRETT. Oh, yes.

Mr. BOUVIER. What has been your experience in the construction business?

Mr. BENNET. Oh, I concede that Col. Starrett is an expert of the highest type.

Senator HARDWICK. That shortens that. Is there anything more, Mr. Adcock?

Mr. ADCOCK. I would like this question of the forest reserve cleared up. When you mentioned the name of Mr. Clark in your report there you had in mind that the Clark you mentioned there was connected with the forest reserve and had made some report that had been obtained by you from Mr. Felt in reference to the forest reserve?

Col. STARRETT. Yes.

Mr. ADCOCK. Or valuation made under the direction of the forest reserve commission?

Col. STARRETT. Yes.

Mr. ADCOCK. Did you place any greater credence on this report because you might have thought then that the Clark mentioned was Mr. Wallace Clark?

Mr. BOUVIER. He said no to that.

Col. STARRETT. No. It would not have made any difference with me, because it was handed to me as a thoroughly reliable document by Mr. Felt; as a report from a man he knew to be a reliable engineer.

Mr. ADCOCK. Mr. Clark is here, and I will ask him to state if he ever had any connection with the forest reserve commission.



Mr. CLARK. May I say that I have never had any connection with the forest reserve commission; that I am not an engineer. I was chairman of the engineering committee of the Sanitary District, which is a different municipality.

Senator HARDWICK. It does not look to me as if there was much point to it except that when he relied on the report he thought that it was a report from Mr. Wallace Clark if he thought so.

Mr. ADCOCK. He stated that he did.

Senator HARDWICK. All right.

Mr. ADCOCK. You had a talk with Mr. Clabaugh, and when you made your report you took into consideration the things Mr. Clabaugh had said, as well as others?

Col. STARRETT. Yes.

Mr. ADCOCK. That is all.

Mr. BOUVIER. That is all.

(The witness was excused.)

Senator HARDWICK. Now, Mr. Bouvier, does that conclude the additional evidence you wanted to put in?

Mr. BOUVIER. I think so. I would like to reserve, if I could, the privilege of getting Maj. O'Brien here, if it is not really going to be a menace to his health.

Senator HARDWICK. I think everybody would like to hear him. At the same time, he has made three different statements in writing about this.

Mr. BOUVIER. You do not mean three different statements in the sense of conflicting statements?

Senator HARDWICK. No; I mean three statements at different times; and I believe we have a pretty thorough picture of what Maj. O'Brien thought about this project.

Mr. ADCOCK. I would be very glad to make an arrangement to have a stenographer go with us to Maj. O'Brien's home and take his testimony there.

Senator HARDWICK. I do not know what his condition is.

Mr. BOUVIER. I think it was Col. Shelby who told me that he had seen him, and he has the well-developed symptoms of the disease. It has been going on for some time. The only thing, as I say, that he would state, would be first that he took down the Revised Statutes from the shelf with Mr. Newman, pointed to the paragraph which made for the inhibition of an approval other than by the Secretary, and the provision of \$5,000.

Senator HARDWICK. Do you think that would be material, if you could prove it? Mr. Newman states that he knew this thing had no legal status. You knew that, Mr. Newman?

Mr. NEWMAN. What is that, Mr. Chairman?

Senator HARDWICK. Maj. O'Brien in his examination by Maj. Stotesbury testified that he took down the Revised Statutes and pointed out to you the passage showing that if the Secretary did approve it, it would not be binding.

Mr. NEWMAN. I do not recall the statute, but they made the statement.

Senator HARDWICK. You knew that to be a fact?

Mr. NEWMAN. Oh, certainly.

Senator HARDWICK. I mean, as regarding the contract.

Mr. BOUVIER. The only other remaining question would be the impeachment of that statement made by Mr. Hines, which Col. Wright also adverted to on Saturday. Between Mr. Bennet and myself there seems to be some misapprehension on what the record is. I want to read this, from page 1295 of the typewritten record. [Reading:]

Senator FRANCE. Did you have any witnesses at that interview?

Mr. HINES. Yes, sir; Mr. Shank and Maj. O'Brien; and I think Col. Wright would verify that, that we were to have the conference in Mr. Hare's room; and they are two Government witnesses.

Mr. BENNET. Mr. Shank was the only other man present?

Mr. HINES. Yes; and in my presence Mr. Hare telephoned Mr. Shank that he was proceeding, and he said, "When they are finished we will have a conference in our office. I am very confident that Maj. O'Brien and Col. Wright, I am very positive, will bear me out in that."

Senator HARDWICK. The impression made on my mind—of course, you can argue that when you sum up—but the impression made on my mind is that these gentlemen were not there.

Mr. BOUVIER. Senator France asked the question, "Did you have any witnesses at that interview?"

Mr. HINES. Yes, sir; Mr. Shank and Maj. O'Brien; and I think Col. Wright would verify that—that we were to have the conference in Mr. Hare's room.

Just below that he says, "Mr. Shank was the only other man present." No; Mr. Bennet asks that question and Mr. Hines replies, "Yes." And Mr. Hines says, "I am very confident that Maj. O'Brien and Col. Wright—I am very positive—will bear me out in that."

Mr. BENNET. If there is any question, we will concede on the record that Maj. Wright and Maj. O'Brien were not there.

Senator HARDWICK. They say that they are not contending that they were there.

Mr. BOUVIER. They are not contending that he was there; but that is in the record.

Senator HARDWICK. That is police-court business.

Mr. BOUVIER. I am speaking advisedly. I am not saying that for the purpose of being disagreeable.

Senator HARDWICK. These gentlemen say that they do not contend that, and the committee will not take that into consideration. I do not see that there is any need of getting Maj. O'Brien to come here and swear that he was not present when they admit that he was not.

Mr. BOUVIER. If I am foreclosed from showing what they testified to, of course, there is no necessity.

Senator HARDWICK. I will not allow it.

Mr. BENNET. Furthermore, if counsel will remember, the conversation was taken down stenographically in Mr. Hare's office.

Senator HARDWICK. I understand, Mr. Bennet, that you admit and do not contend that either Mr. Clark or Maj. O'Brien were present at the meeting at which Mr. Shank was present?

Mr. BENNET. Never did, do not now, and never intend to.

Mr. BOUVIER. I am perfectly willing to accept his statement that they admit that he was not present, but that he was not irresponsible I am not prepared to accept.

Mr. ADCOCK. You did not mean Mr. Wallace Clark when you said Clark?

Mr. BENNET. You mean Wright.

Senator HARDWICK. Yes; Col. Wright. I know a man named Clark Wright, and I get them mixed.

If that is the only thing that you want to prove by Maj. O'Brien, that is not necessary. You can contend in your argument, if you want to. Mr. Hines has retracted it.

Mr. BOUVIER. I would like to have Mr. Hines contradict it, then.

Senator HARDWICK. Mr. Hines, did you ever intend to make the statement that Maj. O'Brien and Col. Wright said that Mr. Hare promised a conference?

Mr. HINES. No; but they were advised over the telephone, and in their conversation when I immediately proceeded from Mr. Hare's office and Mr. Wright's office it is reported and taken down by the shorthand reporter at that time.

Mr. BOUVIER. Yes; over the telephone. Did you mean that in the presence of Mr. Hines that Mr. Hare talked over the telephone?

Mr. HINES. He did.

Mr. BOUVIER. I object to any statement of that kind being made. I refute that, sir.

Senator HARDWICK. We will hear the evidence to refute that if you want.

#### STATEMENT OF MAJ. STEPHEN F. VOORHEES.

(The witness was sworn by the acting chairman.)

Senator HARDWICK. Maj. Voorhees, will you give to the reporter your official position?

Maj. VOORHEES. I am in the Hospital Division, Surgeon General's office.

Senator HARDWICK. Now, Mr. Bennet, I suggest that you lead the witness and get right to the point just as quick as you can.

Mr. BENNET. You occupied that same position in the summer of 1918?

Maj. VOORHEES. Yes, sir.

Mr. BENNET. You know Mr. Jarvis Hunt?

Maj. VOORHEES. Yes, sir.

Mr. BENNET. He is an architect from the city of Chicago, and was in Washington in August, 1918, in connection with hospital plans?

Maj. VOORHEES. I met him the latter part of August, 1918, and he had a plan that is sometimes referred to as the Y plan and is sometimes referred to as the butterfly plan. He had such a plan.

Mr. BENNET. If this plan had been adopted by the War Department, do you know it was his idea that it ought to be applied anywhere in the Chicago parks?

Mr. BOUVIER. I object to this, testifying to the process of any man's mind. It is not only hearsay but it calls for a conclusion.

Senator HARDWICK. Do you not think that he ought to be allowed to prove what the plan was if he knows?

Mr. BOUVIER. Let him ask the individual.

Senator HARDWICK. Ask him what his plan was.

Mr. BENNET. As stated to you.

Maj. VOORHEES. The plan was to be a standard hospital to be built wherever the Government proposed to build hospitals. At that time the plans for the West Point hospital were being sent out.

Mr. BENNET. West Point, where?

Maj. VOORHEES. Kentucky, near Camp Knox.

Mr. BENNET. Did he state anything to you in relation to an intention to form a construction company in case the plans were approved; and if so, what?

Mr. BOUVIER. My objection to this is right in line with the observation made with reference to the statement of Gen. Noble.

Senator HARDWICK. That was about a fact. This is a plan. I do not know yet what its materiality is.

Mr. BOUVIER. It is mere hearsay—what Mr. Hunt said to him about a plan.

Senator HARDWICK. Do you not think that a plan was what was in the man's mind?

Mr. BOUVIER. I think that Mr. Hunt would be the man.

Senator HARDWICK. The counsel is not drawing a distinction. It is perfectly obvious to a man when he has a plan—of course it is in his mind. Of course he can not see what was in his mind, except as expressed to him, that forming a part of the plan; and if he, in fact, knew about it, it was relevant.

Mr. BOUVIER. He can say what he expressed to him.

Senator HARDWICK. Yes; about his plan, if he had a plan which he was offering to the Government. How was the witness going to know what the plan was except by what he said?

Mr. BENNET. I do not see how it affects the War Department, which Mr. Bouvier represents.

Mr. BOUVIER. I am *amicus curiae*.

Senator HARDWICK. You can not prove a plan except by what a man says about it. It is different from testifying to an independent fact. If this man had a plan and undertook to explain it, I think it will be proper if it has any relation to this matter.

Mr. ADCOCK. I want to object to any hearsay statements with reference to this.

Senator HARDWICK. Mr. Adcock, if this man Hunt had a plan in relation to a hospital and told this witness what that plan was, do you regard that as hearsay?

Mr. ADCOCK. It seems to me it is, and the way to do would be to produce Mr. Hunt.

Senator HARDWICK. Suppose he denied it?

Mr. ADCOCK. Then you could offer this for impeachment.

Senator HARDWICK. That would be the rule in a strict court of law, but really it looks now as if it was so obvious that I think I will let it stand.

Mr. ADCOCK. But here it is on the last day. That is something that has not been before the committee, and it is proposed to call witnesses at the last moment, without an opportunity for us to review anything that might be said, or anything of the kind, on matters which relate to their cause, and then close the testimony without any opportunity of rebuttal evidence.

What is the object of this evidence?

Mr. BENNET. For this purpose I have taken the trouble to prove heretofore that Mr. Hunt is very largely interested in business, associated with Mr. Clark and Mr. Trainer.

Senator HARDWICK. That they own a building together?

Mr. ADCOCK. And they own stock in the same building.

Mr. BENNET. A small 16-story building located in the heart of the business section of Chicago. My purpose about this is to show that the coterie—I say it respectfully—the group of Clark, Trainer, and Hunt were very largely interested in the hospital situation from all its aspects in the summer of 1918. No charges of anything wrong are made against Mr. Hunt whatever. He is a very high-class architect, but I do want to show two things in my argument: First, that Mr. Trainer's business associate, Mr. Hunt, had a plan which was a competitor of the Speedway proposition; and, secondly, that Mr. Hunt was pushing the proposition to have plans approved, and in connection with that intended to apply these plans not only to the parks in Chicago but wherever the Government was to construct hospitals. I think that in my summing-up I can very readily point out to the committee the relevancy of this as connecting Mr. Trainer, who was in the real estate section and who was recommending sites throughout the country, with his business associate, who owned 40 per cent of this Michigan Boulevard building, with being in Washington at the same time, killing two birds with one stone, first killing off the Speedway Hospital with his butterfly plan, and, secondly, putting himself in a position where if sites were recommended and his plan was adopted by the Government the hospitals of the Government would have been constructed by Mr. Trainer's business associate, Mr. Hunt. That seems to me to be very relevant.

Senator HARDWICK. What about it, Mr. Adcock?

Mr. ADCOCK. There are two reasons why this evidence is not proper. If he wishes to show that, it should have been put in—if it has any relevancy at all—in his testimony in chief. In the next place, the charge is that Mr. Trainer in some way affected the policy of the Secretary of War in approving and disapproving these plans for the Speedway. So, how in the world that would be material to that proposition I can not see. It is mere hearsay evidence.

Senator HARDWICK. Let me give you what is in my mind, so that you can direct your argument to that: Would it not be a very skillful way of killing one project to advocate another project?

Mr. ADCOCK. There is no evidence that Mr. Trainer had any connection with Mr. Hunt's project.

Senator HARDWICK. That is a matter of both proof and argument. First, of course, he would have to lay the foundation with some proof. But suppose that the argument is a legal question, but that he supplies that proof, and supposing such connection be established, then does it not become material to know whether one of Mr. Trainer's close business associates was advocating such a plan down in Washington while such a proposition was on?

Mr. ADCOCK. How can we meet that proposition on the last day? It is not rebuttal to anything that we put in.

Senator HARDWICK. I do not care so much about it not being in rebuttal, because I have not tried to hold this hearing down to strict rules of law. I do not care about your suggestion that if it is offered you ought to be allowed ample time to meet it, and if you will need more time you can have it.

Mr. ADCOCK. There has been absolutely nothing in the record up to the present time that in any way connects them.

Senator HARDWICK. No; I think not up to the present moment, but counsel, perhaps, wishes to make the contention—I remember that it is in the record that these gentlemen are stockholders in a business project.

Mr. ADCOCK. That they own some stock in the same business project.

Senator HARDWICK. And to such an extent that three of them are practically the owners of a 16-story building in the city of Chicago.

Mr. ADCOCK. A very fine building.

Senator HARDWICK. And it is not overstating the case to say that they are close business associates in Chicago.

Mr. ADCOCK. Yes; in one enterprise. He is an architect, and they are real estate men.

Senator HARDWICK. I mean that they are close associates in a considerable investment in Chicago.

Maj. LORING. Did the Government adopt the Butterfly plan? That would be relevant.

Senator HARDWICK. That is true, Major; but supposing these men tried to get them to adopt it?

Mr. BOUVIER. That is a very pertinent inquiry. Now, I would have to recall Secretary Baker and Secretary Crowell and have them say that the Butterfly project was not given consideration by them.

Senator HARDWICK. That fact would be of no value. Men do not have to use their influence by going to the very highest officer. Sometimes it starts at the bottom, with the subordinates. What I understand Mr. Bennet is trying to do is to show that a business associate of Mr. Trainer was arranging some way or somehow in some of these War Department bureaus for the adoption of a project, the effect of which would have been to oppose or kill off a project that his client was interested in. I must confess that I think it is material, if the connection is made.

Mr. BOUVIER. I can not see the materiality unless it is established advisedly that this project came before the consideration of the determining factors, which would be the Secretary or the Acting Secretary, and the Secretary in arriving at a conclusion not to accept the Speedway but to accept the Fort Sheridan Hospital.

Senator HARDWICK. Of course, it would make a very great difference as to what it was worth or what it would amount to, but it would not make any difference at all as to the effort of this man to get it done if they went to any other department official in their effort to do it. The point is that he made this effort.

Mr. BOUVIER. The principal objection is that no examination has been made and nothing known of it until now.

Senator HARDWICK. That is the only objection that I had.

Mr. BENNET. Mr. Bouvier said he did not know of it until this moment. In the memorandum of September 27 from director of operations to the Surgeon General office, the statement is made that one of the reasons why the Speedway Hospital was not accepted was because they could secure 6,200 beds at two parks in Chicago, two memoranda, one of September 27 and one of October 4, the joint result of the two memoranda is that these 6,200 beds were to be secured in hospitals located at Washington Park and Marquette Park in the city of Chicago, and that was Mr. Crowell. Mr. Crowell and Mr. Hare were interrogated about their acquaintance with Mr. Hunt. I think it is a safe statement to make that Mr. Hunt's name has been brought

into the proceedings every day, at least once every day for the last week, and the only witness that I know of on the stand that I have not asked whether he knew Jarvis Hunt was Secretary Baker. I am quite confident I did not ask him. Other than that, I brought this point out again and again. So nobody has the right to be surprised.

Mr. BOUVIER. When Mr. Crowell was here there was no examination on the Butterfly project.

Senator HARDWICK. I was not here.

Mr. BOUVIER. I wish you had been because you would appreciate the relevancy of my observations. No question such as that was brought out, but the question whether per se the Speedway Hospital project was disapproved. The suggestion that other things had any influence was not raised directly nor indirectly, and of course he was not interrogated upon it by me.

Mr. ADCOCK. It has not been shown that the Marquette proposition or the Washington Park proposition intended to use the hospital plans.

Mr. BENNET. That is one of the things that I intended to ask this witness.

Senator HARDWICK. I believe I will let the witness answer the question.

Mr. BENNET. What was the question that I asked the witness 15 or 20 minutes ago?

(The question was read by the stenographer as follows:)

Mr. BENNET. Did he state anything to you in relation to an intention to form a construction company in case the plans were approved, and if so, what?

Maj. VOORHEES. The plan that he had before him was the plan of a hospital.

Mr. BENNET. I do not mean that. I do not mean the plan of a hospital. I mean the plan of the scheme of forming a construction company?

Maj. VOORHEES. No, sir. The project, as I understood it from Mr. Hunt, was to prepare the plans to make them satisfactory to the Surgeon General's office, the construction division, and to build the building. The plans were marked "Jarvis Hunt, Architect and Construction Engineer."

Mr. BENNET. Were those plans in connection with the Washington and Marquette Parks in Chicago as well as other points?

Maj. VOORHEES. Yes; eventually. Two sets of these plans were submitted to the Surgeon General.

Mr. BENNET. How far did the consideration of these plans go in the Surgeon General's Office, within your knowledge?

Maj. VOORHEES. From time to time plans of the separate buildings forming a hospital group would be submitted of the ward building, from the butterfly plan, and the surgical pavilion. Only one of the plans was the butterfly plan, which was the ward. He would come in with his plans for criticism from the hospital section of the Surgeon General's Office, and he would take his criticisms, and in a day or two come back with the revised plans.

Mr. BENNET. The final result was that the plans were not approved?

Maj. VOORHEES. They were never put up for that. They were only put up for criticism, and I never had formally a plan to approve or disapprove, but simply for criticism.

Mr. BENNET. Did the construction division ever send you any plans for approval, formal approval or disapproval?

Maj. VOORHEES. They sent me a set of plans, not concrete, but plans of the same buildings, asking whether they conformed to our standard hospital buildings, referring to what we then called the West Point plans, and I wrote a memorandum in reply, pointing out wherein they differed and were unsatisfactory.

Mr. BENNET. And right then and there did the proposition drop?

Maj. VOORHEES. I can not say that. That is the only formal note that I can find, but my talks with Mr. Hunt extend over so long a period that I can say when they stopped.

Mr. BENNET. How long a period would you say that the talks with Mr. Hunt extended over?

Maj. VOORHEES. About the end of August, or the 1st of September, I was on duty, but I do not remember exactly when he came in, but about the 1st of September on until, I should say, into October.

Mr. BENNET. Substantially a month?

Maj. VOORHEES. Well, I should say more than a month. It would be my impression.

Mr. BENNET. More than a month?

Maj. VOORHEES. Yes, sir.

Mr. BENNET. And was Mr. Hunt in your office many times during that time?

Maj. VOORHEES. Yes, sir.

Mr. BENNET. And always, I assume, in connection with these plans?

Maj. VOORHEES. Yes, sir.

Senator HARDWICK. Ask him if he ever said anything about the Speedway project?

Mr. BENNET. Did he ever mention the Speedway project?

Maj. VOORHEES. I can not remember that he ever did.

Mr. BENNET. One way or the other?

Maj. VOORHEES. No; I do not remember.

Mr. BENNET. He talked about his projects?

Maj. VOORHEES. He was very fluent on that subject.

Mr. BENNET. Not taciturn?

Mr. BOUVIER. May I ask one question. As I understand it, Mr. Hunt had an idea, and whether that idea was a practical idea in conformity with the established requirements of the Government, so far as hospitals were concerned, he came to you or to your office to invite criticism as to whether they conformed to the established lines or where you believed they were in conflict with the scheme of the Surgeon General's Office as to hospitals. Is that about the size of it?

Maj. VOORHEES. May I explain that we had at that time the basis of what we considered our standard plan, which we called the West Point plan, because it happened to be the first camp that used that construction, and if a set of plans was brought before us—for instance, a plan like the butterfly plan—it would be my function to see that that was equivalent to our standard plans.

Mr. BOUVIER. It was distinctly that of criticism in determining whether or not the plans that he submitted to you were in point of



fact relatively equivalent to the standard plans of the department, and that was all that you had to do with it?

Mr. ADCOCK. And he merely desired, his purpose was to have the plans adopted as plans of the department with reference to hospitals?

Maj. VOORHEES. No, sir; his project that he came to me with was a project of which the plan was part. He proposed to make a contract with the Government to build these hospitals. That is very clear in my mind, because that is not the usual function of an architect, and his plans were so marked, "Architect and construction engineer."

Mr. ADCOCK. They never were approved?

Maj. VOORHEES. They never were submitted for formal approval.

Senator HARDWICK. The witness is excused, with the thanks of the committee for his attendance.

Mr. ADCOCK. I would like to ask Mr. Trainer one question. Did the department ever discuss the plans that Maj. Voorhees has talked about with you?

Mr. TRAINER. Never.

(Thereupon, at 12.55 o'clock p. m., the committee took a recess until 2 o'clock p. m.)

#### AFTERNOON SESSION.

(The subcommittee met at 2.20 o'clock p. m., pursuant to the taking of recess.)

Mr. BENNET. I want to ask Mr. Hines, Mr. Foster, Mr. Shank, and Mr. Erskine the same question. Do you now or did you at any time during the year 1918 own any real estate in the vicinity of what has been described in this matter as the Speedway Park, Cook County, Ill.?

Mr. HINES. No, sir.

Mr. FOSTER. No, sir.

Mr. SHANK. No, sir.

Mr. BENNET. Mr. Erskine is not in the room.

Senator HARDWICK. Outside of their interest in this property.

Mr. BENNET. That is what I meant.

Mr. ADCOCK. Did you ask Mr. Newman?

Mr. BENNET. Do you own any real estate, or did you in 1918 own any real estate in the vicinity of Speedway Park?

Mr. NEWMAN. Never at any time in my life.

Mr. BENNET. Do you happen to know whether Mr. Poppenhusen did?

Mr. NEWMAN. I have no personal knowledge. I am quite sure that if he had he would have said something to me about it.

Senator HARDWICK. There is no suggestion that he did.

#### TESTIMONY OF MR. H. B. WHEELOCK.

(The witness was sworn by the acting chairman.)

Senator HARDWICK. Lead the witness as much as you want.

Mr. BENNET. Mr. Wheelock, you reside in Chicago, Ill.?

Mr. WHEELOCK. Yes, sir.

Mr. BENNET. You are a member of the American Institute of Architects, member of the Illinois Chapter of the American Institute of Architects, member and director and past president of the Illinois

Society of Architects, and were for years a member of the State board of examiners of architects, appointed by Govs. Yates and Dunne, successively?

Mr. WHELOCK. Yes, sir.

Mr. BENNET. You are now chairman of the joint committee of the two Illinois societies on legislative measures pending for the new Chicago zoning law, the State housing law, and amendments to the law governing the practice of architecture?

Mr. WHELOCK. Yes, sir.

Mr. BENNET. I will ask you if you have practiced architecture in the city of Chicago for quite a number of years?

Mr. WHELOCK. Thirty-three years.

Mr. BENNET. In connection with that have you constructed hospitals?

Mr. WHELOCK. Yes; I have.

Mr. BENNET. In and about the city of Chicago?

Mr. WHELOCK. Yes, sir.

Mr. BENNET. In the spring of 1918 were you working on any hospital plans?

Mr. WHELOCK. Yes, sir.

Mr. BENNET. Were you working on any plans for a proposed hospital at Speedway Park?

Mr. WHELOCK. Yes, sir.

Mr. BENNET. Do you know Mr. Trainer?

Mr. WHELOCK. Yes, sir.

Mr. BENNET. Were you ever present at a meeting in the office of Jacob Newman at which Mr. Trainer was present?

Mr. WHELOCK. Yes, sir.

Mr. BENNET. How many?

Mr. WHELOCK. Two meetings.

Mr. BENNET. Who were present at the first meeting?

Mr. WHELOCK. Mr. Shank, Mr. Trainer, Mr. Newman, Mr. Poppenhusen, and myself, and Mr. Hodge.

Mr. BENNET. What Hodge is that, Samuel H. Hodge?

Mr. WHELOCK. Yes.

Mr. BENNET. Just state what occurred at that meeting at which these five gentlemen were present. What was discussed, and what was generally done.

Mr. WHELOCK. I was requested by Mr. Shank to be at Mr. Poppenhusen's office and to bring over the sketches that I had prepared for the Speedway Hospital. I called at the office, I think, about 2 o'clock in the afternoon, met Mr. Newman, and we passed through into Mr. Poppenhusen's office, and I exhibited my plans to these gentlemen, and showed them a plat of the grounds which indicated the underground work, the piping, etc., that had been installed at the time the Speedway Park was first built. Mr. Trainer asked me at that time if I could not show them a plan of the ground that would more explicitly indicate the amount of the pipe of the various sizes that had been put in underground. I told him I would endeavor to get that information and measure it up accurately and make a tabulation and put that on the blue prints, on my tracing, from which a blue print could be made.

Mr. BENNET. Did you make such a tracing and blue print?

Mr. WHEELOCK. I made such a tracing and finished that on June 27.

Mr. BENNET. Will you produce the blue print of June 27, Mr. Adcock?

(Mr. Adcock handed Mr. Bennet a blue print.)

Mr. BENNET. Is this [showing blue print to witness] the blue print that you made subsequent to that meeting at which five gentlemen were present?

Mr. WHEELOCK. Yes, sir; that is the blue print.

Mr. BENNET. And what information was put on that blue print as the result of the suggestions of Mr. Trainer?

Mr. WHEELOCK. All of this tabulation here [indicating], which showed the amount of piping, as indicated by those various piping lines, and the quantities of various pipes, water pipes, sewer pipes, and drain tile.

Mr. BENNET. May it appear in the record that this was the blue print produced by Mr. Adcock sometime since concerning which he examined Mr. Shank? That is the fact?

Mr. ADCOCK. Yes.

Mr. BENNET. Now, can you fix the date of the first meeting with Mr. Trainer in which he made the suggestions which resulted in getting out the blueprint?

Mr. WHEELOCK. It was just two or three days previous to that.

Mr. BENNET. At that meeting at which Mr. Shank, Mr. Trainer, yourself, and Mr. Hodge, and Mr. Poppenhusen, and Mr. Newman were present, was there any offer or suggestion made by Mr. Shank to Mr. Trainer or Mr. Hodge that they be paid any commissions if they helped him to sell the Speedway proposition?

Mr. WHEELOCK. The subject was not mentioned.

Mr. BENNET. Was Mr. Wallace Clark there?

Mr. WHEELOCK. He was not there.

Mr. BENNET. Do you know Mr. Wallace Clark?

Mr. WHEELOCK. I do.

Mr. BENNET. Now, when was the next meeting at which Mr. Trainer and you were both present?

Mr. WHEELOCK. The next meeting was at Mr. Newman's office on July 2.

Mr. BENNET. Was that the meeting at which Mr. Poppenhusen, Mr. Newman, Mr. Shank, Mr. Foster, Mr. Trainer, Mr. Hodge, and Mr. Erskine—I think that was all—were present?

Mr. WHEELOCK. Yes, sir.

Mr. BENNET. And that lasted about how long?

Mr. WHEELOCK. An hour and a half or two hours.

Mr. BENNET. Was the subject of commissions discussed at that meeting?

Mr. WHEELOCK. It was not.

Mr. BENNET. What was discussed at that meeting?

Mr. WHEELOCK. A general review of the plans that I had made and a review of this plat of ground here on this blue print, and a general discussion as to how we could best prepare the data and outline specifications and plans to present to Washington to the proper authorities in the Surgeon General's department, and Mr. Trainer gave quite an extensive talk on the subject of Government hospitals and reconstruction hospitals particularly. I guess he must have talked an hour at least on that subject exclusively.

Mr. BENNET. Was there any attempt made by Mr. Newman to have the Armour and Patten contributions to the Cub Baseball Park project switched to the Speedway Hospital at that meeting?

Mr. WHEELOCK. No, sir.

Mr. BENNET. Was that subject discussed.

Mr. WHEELOCK. Mr. Trainer mentioned that in his development of the scheme for a hospital on the baseball park that he did engage the interest of these gentlemen to make certain donations, but it was not proposed that their interest be transferred to the Speedway Hospital.

Mr. BENNET. You were one of the architects who worked on the plans here in Washington before the 14th of August, 1918?

Mr. WHEELOCK. Yes, sir.

Mr. BENNET. Did you ever see Mr. Trainer here in Washington?

Mr. WHEELOCK. Yes, sir.

Mr. BENNET. When and where?

Mr. WHEELOCK. I came to Washington about—I left Chicago on the 1st and came direct to Washington, and I think it must have been about the 3d or the 4th of August, the first week in August, anyway. I went down to see Col. Billings. I wanted to meet him and talk with him about this hospital proposition. I had with me a letter of introduction from a mutual friend, Dr. Williams, of Chicago. He was at that time attending my son, and is still attending him on account of injuries received in the service. As I went to Col. Billings's office, in the anteroom I met Mr. Trainer and Mr. Graham.

Mr. BENNET. Which Graham is that?

Mr. WHEELOCK. The architect.

Mr. BENNET. Ernest Graham, the architect of the Field Museum?

Mr. WHEELOCK. Yes, sir. They passed in to see Col. Billings, and I waited and took my turn. After they came out I went to see Col. Billings and presented my letter. The colonel was not in a very pleasant mood and seemed unusually grouchy and did not relish the idea of another architect showing him any hospitals. He said he was heartily sick of architects showing him hospitals. He said, "Two men have just been in here on a hospital project, and they have gone to the Secretary of War to get his approval." I then left his office.

Mr. BENNET. Did you ever see Mr. Jarvis Hunt during the time that you were down here working on the plans?

Mr. WHEELOCK. Several times.

Mr. BENNET. Where?

Mr. WHEELOCK. In the Surgeon General's department. I met him there in July, and several times during the middle of August when we working on the plans in the Surgeon General's office, the drafting section.

Mr. BENNET. Did you ever discuss with him whether he had a hospital plan or not?

Mr. BOUVIER. I object to that, because that is hearsay. Mr. Hunt is not a member of the Government.

Mr. BENNET. I withdraw it. How many times did you see Mr. Jarvis Hunt in the Surgeon General's office during the time you were down here?

Mr. WHEELOCK. Sometimes when I was working there I worked from early in the morning until 11 or 12 o'clock—he was there perhaps six or eight hours a day and several days at a time. He was the same as I had been, at the different officers' desks trying to get information.

Senator BECKHAM. Did you work for the Government, or for whom?

Mr. WHEELOCK. Mr. Shank asked me to prepare the preliminary plans, and afterwards we came to Washington with those preliminary plans. After many efforts, Gen. Noble passed the word along to the division to give Mr. Wheelock every assistance possible to prepare plans for this building, according to what their own department thought would be proper and best. And they showed us the plans of the West Point hospital for 2,500 beds. That, I think, was the only plan they had for a 2,500-bed hospital, and ours was to be the same sort.

Mr. BENNET. Does the committee desire to go into the question of what occurred on the contract that was signed on the 31st of August? He was there, but I do not think that his testimony will be materially different.

Senator HARDWICK. Maybe you had better do it, briefly.

Mr. BENNET. Were you there when this contract was signed on the 31st of August by the Shank Co.?

Mr. WHEELOCK. I was not present at the signing of the contract; no, sir.

Mr. BENNET. During the two weeks prior to the 31st of August, where were those plans drawn up?

Mr. WHEELOCK. The plans were drawn up in the Surgeon General's drafting department by Mr. Hugh M. Garden and myself as architects, associated architects, and we imported our draftsmen from Chicago. We had five draftsmen and one engineer, and we worked for two whole weeks, day and night, in completing the plans.

Mr. BENNET. Day and night? Do you mean that literally?

Mr. WHEELOCK. I mean that we worked up to 12 o'clock almost every night.

Mr. BENNET. Did you have any assistance from the experts of the Surgeon General's Office?

Mr. WHEELOCK. During that period of time the various offices were with us in constant consultation, advising us as to whether or not this plan would be preferred to that; and the plans were completed on August 27, at which time a general conference was called by Gen. Noble, and there were, I guess, six or eight of the officers there to review our plans. Col. Kramer took the lead and asked each one individually as they passed over the plans, "Do these plans seem to include what we have agreed among ourselves as the essentials of the ideal of a modern, up-to-date Government hospital?" There were very few minor corrections, as to the changing of the swing of a door or the location of a door. No partitions were changed, nothing essential was changed, and each one individually and separately was asked if he approved, and he said "Yes," that he did; and the blue prints bear the markings of these gentlemen as made at that conference. Then the plans were completed and sent to the blue-print department of the Government for printing.

Mr. BENNET. These plans that were subsequently initialed by Col. Wright and Mr. Shank—those blue prints were prepared in the Government department?

Mr. WHELOCK. They were prepared in the Government department.

Mr. BENNET. Do you remember the names of some of the officers that were present?

Mr. WHELOCK. Yes, sir. Gen. Noble, Col. Kramer, Col. Wyeth, Capt. Cutler. We had daily and hourly conferences with him and Lieut. Woodridge, who had charge of the drafting room proper. I made a note at the time of the men that were there.

Senator BECKHAM. There is no question about this.

Mr. BENNET. I just wanted to show that these plans were drawn in the Government office.

Senator HARDWICK. That is established.

Mr. BOUVIER. Before you cross-examine, may I offer here, in pursuance to the directions of the chair, a memorandum for the Assistant Secretary of War from the Purchase, Storage and Traffic Division of the General Staff on the subject of contracts with the United Gas Improvement Co., of Philadelphia, and also a copy of a letter received by the Assistant Secretary from Paul Thompson explanatory of the question of these contracts? You will also probably notice that between the two there is a little difference, because one deals with all that have been listed, whereas the other deals with the actual contracts. The second is therefore more complete than the other, but they are presented pursuant to your directions.

(The documents referred to are here printed in the record, as follows:)

WAR DEPARTMENT,  
Washington, February 8, 1919.

Memorandum for the Assistant Secretary of War, Director of Munitions.  
Subject: Contracts with the United Gas Improvement Co., of Philadelphia.

1. In reply to your memorandum of February 6, copy herewith, I report that the War Department has had the following contracts with the United Gas Improvement Co., of Philadelphia:

*Q. M. C. contract.*—Effective December 11, 1917; expired June 30, 1918. For furnishing gas to the Third Regiment Armory, Philadelphia.

*Ordinance Contracts.*—G913-357E for entire production of Truo Toluol, estimated at 140,000 gallons, effective November 1, 1917. Work suspended by telegram from Director of Purchase, Storage and Traffic. No record of any other suspension having been sent out by Ordnance Department.

P2068-713TW for four No. 3 standard low-water gas generators. This contract has been transferred to the Chemical Warfare Service and is on record at the Edgewood Arsenal, Baltimore, Md.

P2831-590E for experimental work on process of manufacturing toluol for distillate of California oil. This contract is to continue.

P4271-1452TW for two sets of 6-inch carbon-monoxide generator, one blower complete, with blower connections and scrubber. The articles called for in above contract were to be delivered on or before June 1, 1918. This was evidently finished, since no other records are available.

P13400-1294E for services and report of Mr. H. Fulweller. This contract has been completed.

P17075-1569E for services of Mr. J. S. Dickey. This contract is to continue in force.

GEO. W. BURR,  
Brigadier General, General Staff,  
Acting Director, of Purchase, Storage and Traffic.

THE UNITED GAS IMPROVEMENT CO.,  
Philadelphia, February 7, 1919.

HON. BENEDICT CROWELL,

*Assistant Secretary of War, Washington, D. C.*

SIR: Replying to your inquiry as to our contracts with the War Department of the United States Government, below is a list of same:

November 13, 1917, War, Ordnance G913-357E, 140,000 gallons toluol.

January 15, 1918, War, Ordnance P2068-713TW, four No. 3 standard generators and equipment, Edgewood, Md.

February 19, 1918, Compulsory Order No. 500, all toluol produced for six months, January 1 to June 30, 1918.

March 15, 1918, War, Ordnance P4271-1452TW, carbon monoxide generator, blower, and scrubber, Edgewood, Md.

April 25, 1918, War, Ordnance P2831-500E, experimental work in California on a process of manufacturing toluol from a distillate of California oil.

June 7, 1918, War, Ordnance P9505-1011E, services S. J. Dickey as consultant engineer, April 15, 1918, to October 15, 1918.

June 25, 1918, War, Ordnance 514 (compulsory order 360), all toluol produced for six months, July 1, 1918, to December 31, 1918.

August 1, 1918, War, Ordnance executive order T1245, send engineer to nitrate plant No. 1, Sheffield, Ala.

August 12, 1918, War, Ordnance P13400-1294E, services W. H. Fulweller for experimental work at San Francisco, 20 days beginning June 3, 1918.

September 6, 1918, War, Ordnance G. P. R. 3607, two sets water gas apparatus Edgewood, Md.

October 25, 1918, War, Ordnance 17075-1569E, services S. J. Dickey, consultant engineer, October 15, 1918, to April 15, 1919.

The negotiations for all of the contracts, with the exception of the sending of an engineer to Sheffield, Ala., and the water-gas sets erected at Edgewood, Md., were carried on by the writer; the latter were negotiated by Mr. D. J. Collins, who advised with me.

Within the company no information was given to any other department as to negotiations with any representative of the United States Government, with the exception of the president of this company and those who were immediately connected with the execution of the contracts.

Mr. C. W. Hare is manager of the new business department of this company, which department has charge of the sale to consumers, of the various appliances used in the utilization of gas and electricity, but having no part whatever in the negotiations with the representatives of the Government.

It was particularly requested by the Ordnance Department that information as to these contracts be kept as quiet as possible, and, in addition, if we were not able to sufficiently police our plants, to take the subject up with them, in order that they might assist us. I assured the representatives of the department that their request would be carried out, and positive instructions were issued by me that no discussions of these contracts be had with anyone except those directly interested in the production of the material called for.

Yours, very truly,

PAUL THOMPSON,  
*Fifth Vice President.*

MR. BENNET. May I ask if the Assistant Secretary has sent down the report of the three architects on the Fort Sheridan land?

MR. BOUVIER. You mean the report on the Butterfly operation?

MR. BENNET. What I would like would be the report of the special board of hospital architects.

MR. BOUVIER. I have not that here. The Secretary evidently thought that it was among my papers.

MR. BENNET. Mr. Crowell appointed a board of three, and they subsequently made a report.

MR. BOUVIER. Mr. Hare is under the impression that I have that, but I have never been able to discover that I had it. Maj. Loring may be able to find it.

MR. BENNET. That is what we want.

Mr. ADCOCK. When did you first meet Mr. Trainer, Mr. Wheelock?

Mr. WHEELOCK. In the middle of June Mr. Shank brought him to my office to talk over the question.

Mr. BENNET. One more question. Did you go out to the Speedway Park during the week between the 9th and the 17th of June in an automobile with Mr. Shank, Mr. Clark, and Mr. Trainer?

Mr. WHEELOCK. I did not.

Mr. ADCOCK. During the middle of June you met him?

Mr. WHEELOCK. Yes, sir. Mr. Shank brought Mr. Trainer to my office for a conference over the question of these hospital plans for the department, the plans to make the Speedway into a Government hospital.

Mr. ADCOCK. How far had the plans advanced that you had on July 2? Were they completed plans?

Mr. WHEELOCK. They were completed plans. My sketches were completed May 24. I started work on these in April, and my sketches were completed on May 24, and they are almost identical with the finished plans as they now are.

Mr. ADCOCK. How many times have you been in Mr. Newman's office?

Mr. WHEELOCK. Two or three times.

Mr. ADCOCK. Who asked you to go there, as you say, on June 25—the first meeting?

Mr. WHEELOCK. My recollection is Mr. Newman telephoned me.

Mr. ADCOCK. Do you remember about what time he telephoned you?

Mr. WHEELOCK. I do not know just what time. The appointment was for 2 o'clock in the afternoon.

Mr. ADCOCK. Who was there when you got there?

Mr. WHEELOCK. I met Mr. Newman in the hallway, and we stepped in together to Mr. Poppenhusen's office, and Mr. Poppenhusen was in his office at that time, and Mr. Newman, not knowing that I knew everybody, introduced me to each individual. They were all there except myself, that is, Mr. Trainer, Mr. Hodge, Mr. Poppenhusen, and Mr. Shank.

Mr. ADCOCK. They were all there when you got there?

Mr. WHEELOCK. Yes, sir.

Mr. ADCOCK. And that was, you say, about 2 o'clock in the afternoon, or a little after?

Mr. WHEELOCK. Yes.

Mr. ADCOCK. Now, on August 3, 1918, you say you saw Mr. Trainer and Mr. Earnest Graham in Dr. Billings' office, or Col. Billings' office?

Mr. WHEELOCK. The first week in August.

Mr. ADCOCK. How do you fix that date?

Mr. WHEELOCK. Because I came to Washington—I left there on the 1st and came direct to Washington, and went casting around to find out to see how to get our proposition presented to the proper authorities in the Surgeon General's office.

Mr. ADCOCK. That was before Mr. Erskine had talked with the Secretary of War, was it?

Mr. WHEELOCK. I do not know what time he talked with the Secretary of War. That was before I had met Col. Wright to talk over the subject, and I met him in the early part of August.



Mr. ADCOCK. Were you ever at Washington before that date on this Speedway proposition?

Mr. WHELOCK. In July, from the 9th to the 17th of July, one week.

Mr. ADCOCK. You were never here before that?

Mr. WHELOCK. Not on this matter.

Mr. ADCOCK. You are sure that it was about August 3 that you saw Mr. Trainer there?

Mr. WHELOCK. It was the first week of August.

Mr. ADCOCK. What makes you think that that was the time you saw him? Might it not have been on your first visit to Washington?

Mr. WHELOCK. No; because I did not see Col. Billings on my first visit. It was on the second visit. We expected to find Col. Price. I think it was, who was supposed to be at the head of that department, the Surgeon General's Department, at that time, and he was not available. Whether he was out of the city or not, I do not know. But we were so disappointed that I began to cast around to see who else we could see, and I wanted to meet Col. Billings particularly, because I knew he was interested more or less in hospitals for Chicago—being a Chicago man.

Mr. ADCOCK. On July 2, did Mr. Newman tell you to come to his office?

Mr. WHELOCK. I think Mr. Shank telephoned me at that time.

Mr. ADCOCK. And to bring your plans?

Mr. WHELOCK. And to bring my plans; yes, sir.

Mr. ADCOCK. Was that for a 2,500-bed hospital?

Mr. WHELOCK. We were figuring on a 2,500-bed hospital.

Mr. ADCOCK. Your plans had been developed at that time?

Mr. WHELOCK. Yes, sir.

Mr. ADCOCK. Was that a fireproof hospital?

Mr. WHELOCK. A strictly fireproof hospital.

Mr. ADCOCK. You were to utilize the grandstand?

Mr. WHELOCK. We were to utilize the steel structure and foundations as far as possible of the grandstand as it existed at that time.

Mr. ADCOCK. Your partner is Mr. Shank?

Mr. WHELOCK. Mr. Edward Shank, a son of Mr. George Shank.

Mr. ADCOCK. Now, you say that you put these notations on after the first meeting?

Mr. WHELOCK. The plans were drawn first, before that meeting, and upon Mr. Trainer's request we made a more accurate measurement of all the piping and made this legend.

Mr. ADCOCK. You made a new tracing, did you?

Mr. WHELOCK. No, sir; we simply added that to our tracing.

Mr. ADCOCK. And that is the tracing from which this blueprint was made?

Mr. WHELOCK. Yes, sir.

Mr. ADCOCK. What was the date of the old tracing?

Mr. WHELOCK. This was dated June 27. I do not know.

Mr. ADCOCK. But you did not make a new tracing, did you?

Mr. WHELOCK. No, sir.

Mr. ADCOCK. What was the date of the tracing on which you placed those figures—the old figures?

Mr. WHELOCK. That was probably a week previous.

Mr. ADCOCK. And then you placed a new date on the tracing?

Mr. WHEELOCK. Placed the new date.

Mr. ADCOCK. Did you rub out the other date?

Mr. WHEELOCK. Yes, sir.

Mr. ADCOCK. You are sure of that?

Mr. WHEELOCK. Yes, sir.

Mr. ADCOCK. You simply added those figures?

Mr. WHEELOCK. I simply added those figures.

Mr. BENNET. I will ask you if the date was not June 27?

Mr. WHEELOCK. Yes, sir; that is the date.

Mr. ADCOCK. That is admitted.

Senator BECKHAM. This first meeting of July 25, I believe it was, you testified—June 25 I mean—you testified that you were there. Who was in the room when you arrived?

Mr. WHEELOCK. The door was open leading into Mr. Poppenhusen's office. Mr. Poppenhusen, Mr. Shank, Mr. Trainer, and Mr. Hodge.

Senator BECKHAM. How long had they been in there before you came in?

Mr. WHEELOCK. I do not know. I was there promptly on my appointment, which was 2 or 3 o'clock—I do not remember now which—I know I was there promptly at the appointed hour.

Senator BECKHAM. Had these gentlemen been discussing this question before you went in, do you know?

Mr. WHEELOCK. I do not know.

Senator BECKHAM. Was Mr. Shank in there when you went in?

Mr. WHEELOCK. Yes, sir.

Senator HARDWICK. Who was talking when you got there?

Mr. WHEELOCK. I could not answer that.

Senator HARDWICK. What was being said, what did you hear said?

Mr. WHEELOCK. I heard nothing said. I have no recollection of hearing anything said when I entered.

Senator HARDWICK. Did you hear anything said about the payment of commissions while you were there?

Mr. WHEELOCK. Not a word.

Senator HARDWICK. If any such conversation occurred, it must have been before you arrived?

Mr. WHEELOCK. If anything had been said while I was there, I would have remembered it.

Mr. ADCOCK. When did Mr. Newman telephone you to come to that meeting?

Mr. WHEELOCK. I can not answer that. My memorandum book for appointments indicated that I was to be there at that office at a certain hour.

Mr. ADCOCK. You do not know when he called you?

Mr. WHEELOCK. I do not.

Mr. BENNET. How far is your office from Mr. Newman's office?

Mr. WHEELOCK. Three or four blocks.

Mr. BENNET. How long does it take to get there, if you went right over?

Mr. WHEELOCK. Ten minutes, 5 minutes.

Senator HARDWICK. All right, you are excused, with the thanks of the committee for your attendance.

Mr. ADCOCK. Mr. Trainer has testified that he was out of the city of Washington on the 16th of July until the 13th of August. I presume that the records in the department will show where he was.

Senator HARDWICK. What is the proposition?

Mr. ADCOCK. Mr. Wheelock testified that he saw him at Dr. Billings's office on August 3. I do not know whether it is important or not.

Senator BECKHAM. You can ask Mr. Trainer whether that is true.

Mr. ADCOCK. Do you ever recollect, Mr. Trainer, of ever being in Dr. Billings's office with Mr. Earnest Graham?

Mr. TRAINER. I never was. At that time, August 3, I was in Grand Rapids, Mich., and left there on the evening of the 5th for Toledo, and went back to Grand Rapids on the afternoon of the 6th.

Mr. ADCOCK. You were there on Government business?

Mr. TRAINER. On the question of locating the picric acid plant there.

Senator BECKHAM. Did you meet Mr. Wheelock at any time at Col. Billings's office, or in the anteroom of his office, as he has testified?

Mr. TRAINER. I did not. I never have seen Mr. Wheelock in Washington but once, and that was one evening that he and Mr. Shank came up to the table where Mr. Poronto and Mr. Hodge and I were dining in the Raleigh Hotel. They came up and sat down at the table with us. That was in the middle of August, after my return from Grand Rapids, Mich.

Senator HARDWICK. You never saw him at all in Dr. Billings's office?

Mr. TRAINER. I never did.

Mr. WHEELOCK. May I add just one word? I wish to say that when I met him, not knowing that I knew Mr. Graham, he introduced me to Mr. Graham, of Chicago, and passed right by into the other room.

Senator HARDWICK. Now, gentlemen, I think we have about concluded what might be termed the testimony with respect to this particular Trainer incident, Trainer charge, if you denominate it as such. The committee has other functions of a general nature that are of some importance to the country, and we can not devote more time than we have to this incident. We have tried to give as full and patient a hearing as we could.

I think there has been some informal understanding about the argument. When the committee recesses this afternoon, it will recess until 10.30 o'clock in the morning, at which time we will have certain Government officials before the committee in relation to these hospital matters, but with no relation whatever to any Trainer charge. I hope to get through with that part of the investigation in the morning, during the morning session. To-morrow afternoon the arguments will begin. It is understood that Mr. Bennet is to have 30 minutes to open and each of the other counsel are allowed an hour, and at the conclusion Mr. Bennet is to have 30 minutes more. I do not know anything else.

Mr. BENNET. I want to ask Mr. Erskine a question.

In the year 1918 did you, or do you now, own any real estate in the immediate vicinity of what is known as the Speedway Park, in Cook County, Ill.?

Mr. ERSKINE. I own no real estate in the State of Illinois, and never had any.

Mr. ADCOCK. There were a few letters and things that I was going to introduce.

Senator HARDWICK. If you get them you can introduce them, but I do not want anything done to reopen the whole case.

Mr. ADCOCK. No; there are some letters that passed between Mr. Trainer during the time that he was——

Senator HARDWICK. Between Mr. Trainer and whom?

Mr. ADCOCK. And Government officers. Simply, for instance, the offer of Mr. Armour directed to Surg. Gen. Gorgas.

Senator HARDWICK. If he has referred to the letter and described the contents, without objection that can go in.

Mr. ADCOCK. I thought Mr. Bennet might have some objection.

Mr. BENNET. Early in the proceedings Col. Wright was kind enough to have some matter photostated with the understanding on the part of everybody that it would go into the record. I would like to be able to sort out those that are not in the Stotesbury report and put those in.

Senator HARDWICK. Suppose you be prepared to do that in the morning.

Mr. ADCOCK. And there was a copy of the papers with reference to this commission there, some approval, and so forth.

Senator HARDWICK. Those formal things we can take up in the morning if you want to.

I will say to the members of the committee that to-morrow morning it is my purpose to have Col. Banks, who is the medical adviser of the War Risk Insurance Bureau, and also the public health officer in charge, up here in an effort to see if we can not get some plan to take care of this hospital situation without spending so much money, and I hope that every member of the committee will be present. That will be the test of our work. We will also have the Chief of Ordnance, Gen. Williams. He is to be here at 10.30.

While we do not object to your coming, to you attorneys coming, because it is a public hearing, we do not need you here; because we are going into these matters.

Mr. ADCOCK. You want to do some real work?

Senator HARDWICK. We might do better if you were to go away and study your case.

Mr. BENNET. May I give these records to the reporter?

Senator HARDWICK. You can put them in to-morrow afternoon, if you do not want to come to-morrow morning.

(Thereupon, at 3 o'clock p. m., the committee adjourned until to-morrow, Tuesday, February 11, at 10.30 a. m.)



## MILITARY HOSPITALS.

**TUESDAY, FEBRUARY 11, 1919.**

UNITED STATES SENATE.  
SUBCOMMITTEE ON BUILDINGS AND GROUNDS,  
*Washington, D. C.*

The committee met at 10 o'clock a. m. and proceeded to hear witnesses on the subject of the general military hospital situation.

At 12.30 o'clock p. m. the subcommittee took a recess until 2.20 o'clock p. m.

### AFTER RECESS.

At 2.20 o'clock p. m. the subcommittee reassembled pursuant to the taking of recess.

Senator HARDWICK. Suppose you proceed, Mr. Bennet. Senator Trammell and Senator France will be up in a few minutes.

Mr. BENNET. I wanted to ask Mr. Hines just a question, which he will answer by saying no. It is a denial of some statements. I thought he had denied them, but he called my attention to the fact that he had not. Any objection to that?

Senator HARDWICK. I suppose not.

Mr. ADCOCK. There is one thing that I wanted to offer—that is, this report of Mr. Trainer's—travel order and report of Mr. Trainer, bills, etc., showing that he was not here on August 3.

Senator HARDWICK. All right. Ask your question, Mr. Bennet.

### TESTIMONY OF MR. EDWARD HINES—Resumed.

Mr. BENNET. Mr. Hines, did you ever say to Mr. George M. Reynolds in these words or in substance that it would not be too late, and that if Trainer got behind the contract you would still make it worth Trainer's while, and if Trainer did not, you were in a position to cause Trainer a lot of trouble?

Mr. HINES. Neither, in substance, directly or indirectly.

Mr. BENNET. On October 14 did you know that Mr. Trainer was indebted to the Continental Commercial Bank?

Mr. HINES. I did not.

Mr. ADCOCK. You knew that Mr. Trainer had been working for the Continental, did you not?

Mr. HINES. I had no information until after this talk with Mr. Reynolds.

Mr. ADCOCK. You know that Mr. Trainer and Mr. Reynolds were friends, did you not?

Mr. HINES. Mr. Reynolds told me at the time I talked with him. Up until that time I did not know that they were acquainted. Mr. Reynolds told me that he had known Mr. Trainer for several years.

Mr. BENNET. I understand that I can proceed for 30 minutes.

Senator HARDWICK. Yes.

(Additional documents submitted by Mr. Adcock are here printed in the record as follows:)

JULY 17, 1918.

The Acting Quartermaster General,  
Mr. J. Milton Trainer, Purchase, Storage and Traffic Division,  
Travel orders.

1. You are hereby directed to proceed from Washington, D. C., to Toledo, Ohio, from there to Grand Rapids, Mich., from there to Toledo, Ohio, on official business pertaining to the Division of Purchase, Storage and Traffic, and upon the completion of the duty enjoined to return to your proper station.

2. The Quartermaster Corps will furnish the necessary transportation and Pullman accommodations, and in lieu of actual expenses you will be allowed \$4.00 per diem for the period spent in travel and for the first thirty days at any one point under existing Army Regulations. The travel directed is necessary in the military service.

By authority of the Acting Quartermaster General:

BARNABY B. DOWNS,  
Captain, Q. M. C., N. A.

A true copy.

HAROLD R. SMOOT,  
1st Lieut., A. S. Sig. R. C.

A true copy.

JNO. J. CLARK,  
Capt., Q. M. C.

AUGUST 20, 1918.

Director of Purchase, Storage and Traffic,  
Mr. J. Milton Trainer, P. & S. Branch P. S. & T. Division.  
Travel orders.

CORRECTED COPY.

1. The travel performed by Mr. J. Milton Trainer, real estate expert, P. & S. Branch, P. S. & T. Division, General Staff, under verbal instruction, on duty connected with this division as follows: Toledo, Ohio, to Grand Rapids, Mich.; from Grand Rapids, Mich., to Toledo, Ohio; from Toledo, Ohio, to Cleveland, Ohio; from Cleveland, Ohio, to Washington, D. C., for which there was no time to procure orders in advance, is, under authority of the Quartermaster General, dated August 8, 1918, hereby confirmed and approved as necessary in the military service.

In lieu of subsistence you will be allowed a flat per diem, in accordance with existing Army Regulations.

By authority of the Director of Purchase, Storage, and Traffic.

LEON O. FISHER,  
Chief, Administration Branch.  
By L. A. BRYAN,  
Capt., Q. M. Corps.

A true copy.

JNO. J. CLARK, Capt., Q. M. C.

Claim No. 2987.—Mr. J. Milton Trainer.

July 17. Parlor car seat, Mansfield, Ohio, to Toledo.....	\$0.45	
July 24. Railroad fare, Toledo to Detroit.....	1.88	
Parlor car seat.....	.25	
Tax..... (disallowed) ..	-.21	
Aug. 2. Railroad fare, Toledo to Grand Rapids, Mich.....	5.36	\$4.96
July 31. Telegram from Blair.....	.45	
July 23 to Aug. 7. Stenographer and typist..... (disallowed) ..	18.30	
Aug. 9. Railroad fare, Grand Rapids, Mich., to Detroit.....	5.75	4.56
Parlor car seat..... (no receipt) ..	-.55	
Aug. 10. Boat, Detroit to Toledo.....	.85	
Aug. 12. Telephone, Toledo to Grand Rapids.....	.95	
Railroad fare, Toledo to Cleveland.....	4.65	3.78
Parlor car seat.....	-.55	.50
Automobile, Toledo..... (disallowed) ..	1.50	
Automobile, Cleveland..... (disallowed) ..	3.50	45.30

A true copy.

JNO. J. CLARK, Capt., Q. M. C.

# MILITARY HOSPITALS.

1013

## WAR DEPARTMENT—PUBLIC VOUCHER.

[Reimbursement of traveling expenses. Appropriation: General appropriation fiscal year 1919. Symbol 213. \$129.63.]

*The United States to J. Milton Trainer, real estate expert, Dr.*

Address: % Real Estate Unit, P. & S. Br., P. S. & T. Division, 518 Mills Bldg.  
For reimbursement of traveling expenses incurred in the discharge of official duty from July 17, 1918, to August 15, 1918, under written authorization from the Acting Quartermaster General, dated July 17, 1918, a copy of which is attached per itemized schedule below; amount claimed--- ~~\$156.30~~ \$129.63

Date, 1918.	Schedule of expenditures.	Subvoucher No.	Amount.	U. S. notations.
Aug. 27.	Per diem allowance.....	(1)	\$111.00	
	Expenses per schedule.....	(2)	<del>45.30</del>	
			<del>156.30</del>	
			129.63	\$18.63

Left Washington 6 p. m. July 17, 1918.  
Returned August 15, 1918, at 10 p. m.

Receipts submitted.

Examined by I. L. S.

## MEMORANDUM VOUCHER.

Voucher certified by F. C. McKinney, 1st Lt. U. S. A.  
Paid by check No. 89626, dated Nov. 26, 1918.  
A true copy.

JNO. J. CLARK, Capt., Q. M. C.

Copies of this memorandum submitted to Capt. Starr, C. Q. M., Chicago, Ill.; Director of Operations; Surgeon General; Chief of Construction Division; Director Purchase, Storage and Traffic.

MINNEAPOLIS, MINN., October 29, 1918.

## FIELD MUSEUM OF NATURAL HISTORY, CHICAGO.

1. Capt. Starr retained copy of the lease, specifications and plans of the Field Museum of Natural History, Chicago. The commission suggests that he avail himself of the assistance of Mr. Wallace G. Clark, who is the chairman of the engineering committee of the Sanitary District of Chicago, and who has had much dealing with both the South Park commissioners of Chicago, the Lincoln Park commissioners of Chicago, and the West Side Park commissioners of Chicago.

2. These four agencies and the city of Chicago have cooperated for many years in the public improvements made both by the sanitary district, the city of Chicago, and the several park commissioners, where the work of one overlapped and extended into the subdivision of the other body, and the commission believes that Mr. Clark could be of substantial aid in procuring the cooperation of the South Park, Lincoln Park, and city of Chicago in the immediate grading of the lands around the Field Museum Buildings and the lands upon which is contemplated the location of barracks buildings.

3. The agreements of January 27, 1915, and June 11, 1915, between the South Park commissioners and the Field Museum of Natural History provide, among other things, that the park commissioners will prepare the lands around that upon which the Field Museum Building is located:

A. The first covenant of said agreement of January 27, 1915, reads:

"Provide the said site for said museum and devote the said site to the permanent use of said museum without cost to it."

B. Examine paragraph 7 of said agreement, concerning grading and location of park roads.



C. Amendment to agreement dated June 11, 1915 (from fifth paragraph of this agreement, beginning with the word "the" after the word "building" in fifth line of said paragraph: "the said commissioners hereby agree to fill in and raise the surface of the ground outside of the said exterior wall to the several elevations or levels above city datum indicated by the figures and notations upon said blue print.")

The obligation of the South Park commissioners is plain, and considering the fact that Judge John Barton Payne, the president of said South Park commissioners, who was the first to offer the park premises to Gen. Noble and the Secretary of War, will agree that the park commissioners are bound to, and if the subject matter is presented, will recognize their obligation to fill these lands now at their own expense, and Mr. Clark should be of aid, knowing all of these several men constituting the South Park Commission and the other public bodies and the citizens of the city of Chicago, to do this work without delay and cooperate to aid the War Department in developing this property at the earliest possible date.

4. Inasmuch as the commissioners are obligated to do this work and that the curtailment of free fill will continue so long as the war conditions are on, and inasmuch as the park commissioners require the Field Museum of Natural History to finish and complete its project in four years and six months from January 27, 1915, and that this time will expire on July 27, 1919, the park commissioners in fulfillment of their own agreement should have this land now filled and the roads constructed as originally contemplated.

5. Mr. E. R. Graham, Mr. Stanley Field, and the judges of the circuit court of Cook County (many of which are located in the Michigan Boulevard Building), and these judges being the body that selects the commissioners of the South Park Commission, it would seem reasonable that the South Park commissioners would do this work without delay and without expense to the War Department or the trustees of the Field Museum, and this commission believes that with cooperation this can be done.

6. In so much as the hospitalization requires only a portion of the fill, and not the much larger quantity required to complete the museum and park design, the commissioners should be willing to do this without expense to the War Department in consideration of the putting off of the larger portion of the work until after the war, when the museum building will be occupied as contemplated.

7. The commission suggests that Capt. Starr request the Lincoln Park commissioners, through Mr. Wallace G. Clark, to indicate the items composing their estimate of \$800 rental per day for the dredging. It appears to the commission that this large sum can not be for labor, fuel, oil, and such operating items, and that the Lincoln Park commissioners should not demand overhead and depreciation charges beyond ordinary repairs and upkeep incidental to operation.

#### BARRACKS BUILDING AND KITCHEN.

8. The general arrangement of barracks for nurses and enlisted personnel were approved by Lieut. Col. Northington and Mr. Schmidt, consisting of four barracks for 400 nurses, nurses' kitchen and mess hall; four barracks for enlisted personnel of a total capacity of 800; garage and fire station and a kitchen building of sufficient capacity for the patients and enlisted personnel mess halls, said mess halls to be in the museum building and connected to the kitchen by a covered passageway. The nurses' barracks, nurses' mess hall, and the museum building to be interconnected by an inclosed passageway. The enlisted personnel barracks to be connected to the museum by plank sidewalk.

9. The plans and specifications for these buildings, approved by Lieut. Col. Northington and Mr. Schmidt, in general have been prepared by Messrs. Graham, Anderson, Probst & White, architects, who are recommended to the Construction Division for this service.

10. These barracks, the garage and fire station, also kitchen, to be heated from small heating plants, of which there shall be one for each group. The grouping of these buildings to be determined upon by the Construction Division.

11. The specifications prepared by Graham, Anderson, Probst & White consist of two pages. These architects also secured lump-sum proposals on the first plans and specifications, which have been modified by the omission of officers' quarters, officers' kitchen and mess, patients' mess, enlisted personnel

kitchen and mess, and inclosed passageways to the enlisted personnel barracks. Proposals will, therefore, be secured for the outside buildings.

12. The commission recommends that Graham, Anderson, Probst & White be retained to prepare plans and specifications in accordance with the recommendation, and that the construction quartermaster secures lump-sum proposals, and that the work is contracted for on a basis of cost plus a percentage; total cost not to exceed a fixed sum. The commission's estimate for outside buildings, grained roads, walks; and relocating present switch tracks, complete, is \$505,000.

13. Graham, Anderson, Probst & White, architects, prepared plans for the hospitalization of the museum. These not being complete, supplementary plans were prepared by Schmidt, Garden & Martin, under the direction of the commission. These two sets of plans and the original plans and specifications of the museum, with supplementary specifications, form the basis for the lease and for the preparation of working plans.

The fee for the preparation of the working plans to be developed by Graham, Anderson, Probst & White, and the preliminary work performed by them, including all work necessary to the hospitalization of the museum is included and is to be paid for by the lessor.

14. Three sets of the original museum plans are reported to be in existence—one set in the office of Graham, Anderson, Probst & White, one set in the construction office on the site of the museum, and one set in the office of Stanley Field. One of these sets should now be furnished to the Government to be retained by it until the lease agreement has expired. This set should be identified by the signatures of the construction quartermaster and the president of the Field Museum of Natural History, and should be impounded to the Chief of Construction Division for reference.

Five sets of the plans prepared by Graham, Anderson, Probst & White, five sets of the plans prepared by Schmidt, Garden & Martin, five sets of specifications prepared by Schmidt, Garden & Martin, and three sets of original specifications of the museum with addendas have been identified by the signatures of the president of the Field Museum of Natural History and the representative of the Construction Division of the commission.

15. Capt. Starr, the construction quartermaster, having retained one set of the plans and specifications, it is requested he forward these to the construction division and secure further copies for the use of the construction quartermaster on the work from Graham, Anderson, Probst & White, and Schmidt, Garden & Martin.

#### COOPER MONATAH HOTEL HOSPITALIZATION, CHICAGO, ILL.

16. Lease, plans, and specifications for the hospitalization of this property were executed on the 8th, and forwarded to the Director of Purchase, Storage and Traffic at Washington for distribution. Copy of lease, plans, and specifications have been requested forwarded to the construction quartermaster at Chicago. Delay in returning lessors copy of lease was due to counsel of Judge Advocate Generals office being concerned in possibility of mechanics lien and consent of trustee to existing mortgage upon said hotel building. Consent of mortgage trustee was formally made and forwarded to Purchase, Storage and Traffic Divisions.

17. The plans for the conversion of the building into a hospital were prepared under the direction of the representatives of the Surgeon General's Office and the construction division of the commission and the lease concluded thereon, and should not be changed without their approval theretofore obtained.

18. The specifications for the repair and painting of the A. O. Slaughter, N. W. Harris, and A. W. Harris residences, which are to be nurses' homes in connection with the Cooper-Monatah Hospital, were prepared by Schmidt, Garden & Martin, under the direction of the representatives of the Surgeon General's Office and the construction division of the commission. Proposals for the work indorsed therein have been obtained for the submission to the construction quartermaster of this hospital.

19. Inasmuch as these three residences were given to the Surgeon General for use in connection with hospital, for rental at \$1,000 they year, it is directed that no substantial changes in the premises be made without the approval of the commission and owners thereto before obtained.

STILLMAN SIX FLAT BUILDING, 1030-1032 EAST FORTY-SEVENTH STREET,  
CHICAGO, ILL.

(Barracks.)

20. Plans and specifications for arranging a kitchen and mess hall in east side of basement, constructing inside stairway from basement to first floor, cleaning and decorating, have been prepared by Schmidt, Garden & Martin, under the direction of the representatives of the Surgeon General's Office and the construction division of the commission, and proposals for this work have been obtained and will be delivered to the construction quartermaster for the hospital.

21. These premises should not be otherwise changed without the approval of the commission theretofore obtained.

FORD PLANT (HOSPITAL), MILWAUKEE, WIS., PROSPECT AVENUE AND KENILWORTH PLACE.

22. Plans and specifications for hospitalization have been prepared by Judell & Schuchardt, architects, First National Bank Building, Milwaukee, under direction of the representatives of the Surgeon General's Office and the construction division of the commission. Lump-sum proposals have been obtained for this work (within the estimate of the construction division), and will be delivered to the construction quartermaster.

23. The commission directs that the work of hospitalization is performed under a cost-plus percentage contract, total cost not to exceed the sum of the lowest proposal.

24. The plans for conversion of this building embrace one general kitchen for patients and enlisted personnel and separate mess halls for patients and enlisted personnel.

25. Attention of construction quartermaster is called to present condition of premises, and he is directed to make itemized survey and joint written report with a representative of the lessor as to condition of same, and to file copies of such report with the Chief of Construction Division, Surgeon General (attention of Lieut. Col. Kramer), the Director of Operations, and the Director of Purchase, Storage, and Traffic.

26. The Brochman store building and Badger State Sales Co. building, located northwesterly corner of Prospect Avenue and Kenilworth Place and 439-441 Prospect Avenue, respectively, have been leased for barracks for enlisted personnel. The same architects have prepared plans and specifications for converting these buildings into barracks and lump-sum proposals obtained, which will be delivered to the construction quartermaster, will include the cost of this conversion. The total sum of the proposal is within the estimate of the representative of the construction division of the commission for converting the three buildings.

27. The commission directs that no substantial changes are made other than those embraced in the plans and specifications referred to without first obtaining the approval of the commission thereto.

WOODSTOCK APARTMENTS, LOCATED NORTHWESTERLY CORNER WOODSTOCK PLACE AND SOUTH SUMMIT AVENUE; CHARLES OTT, OWNER.

28. Negotiations for lease of these premises are under way. Premises to be used for housing nurses in connection with the fort hospital, and consists of six apartment buildings of seven rooms each, and one-story brick garage building fronting on Woodstock Place, capacity four cars.

29. Plans and specifications for arranging kitchen and mess hall in the northerly and easterly basement are in the course of preparation by Judell & Schuchardt, architects. Estimated cost of such changes, \$3,000. No other changes required.

FORD MOTOR CO. PLANT (HOSPITAL), DES MOINES, IOWA.

30. Located on Grand Avenue and Southwest Fifth Street. The services of Proudfoot, Rawson & Bird, architects, Des Moines, Iowa, under the usual form of contract of the Chief of Construction of the Quartermaster Corps, United States Army, have been obtained for the preparation of plans and specifications for the hospitalization of the premises, under the direction of the representatives of the Surgeon General and construction division of the commission.

31. Lease for these premises has been closed for possession December 1, 1918.

Construction quartermaster should be provided to work with the architects that work upon the hospitalization might begin as early as possible.

32. The Ford Motor Car Co. are occupying only a small part of these premises, building having been only recently completed. The Ford Co. is required by lease to install one additional boiler and to finish the canopy on shipping platform and certain other work within the premises required by hospital commission and part of original building design.

3. Mr. Donald Riskadden, the representative of the Ford Motor Co., agreed with commission on the 26th instant that the construction quartermaster be permitted to begin work in such part of premises not occupied by the Ford Co. in advance of December 1.

34. Paragraph 12 of lease for premises reads as follows:

"It is agreed by the parties hereto that a representative of the lessor and the lessee shall make an inspection of the demised premises for the purpose of determining the condition of same at the time said premises are turned over to said lessee, and that a written report, agreed upon and signed by above representatives, shall be made and copy furnished to the parties hereto for the purpose of complying with the conditions and terms stated in paragraph 6 of first page of this lease."

concerning the restoration of premises at end of lease by lapse of time or otherwise.

35. Construction quartermaster's attention is directed to paragraph 6 and 12 of lease, and to make with representative of Ford Co. written report thereon as to condition of same, and file copies of such report with the Chief of Construction Division, Surgeon General (attention of Lieut. Col. Kramer), Director of Operations and Director of Purchase, Storage and Traffic (attention of Maj. James S. Holden).

36. The estimate of the representative of Construction Division of the commission for making changes for hospitalization is \$800,000.

37. The kitchen for the patients and enlisted personnel and mess halls for patients and enlisted personnel and quarters for the enlisted personnel will be on the ground floor within the premises in accordance with the direction of the representatives of the Surgeon General's and the Construction Division of the commission.

#### ST. CATHERINE'S HOME FOR WORKING GIRLS.

(Located on block each and adjoining Ford Building, to be used as nurses' quarters.)

38. Three and four story and basement brick dormitory building, completely furnished and equipped, in good condition.

39. No alterations, construction, or repairs required. Contained in building are kitchen, dining room, and recreation rooms. Attractive grounds surround buildings.

#### WEST BADEN SPRINGS HOTEL, WEST BADEN, IND.

40. Lease concluded September 28, 1918; effective October 15, 1918.

Complete survey of premises by representatives of the Surgeon General's Office and Construction Division of the commission was made. Premises consist of hotel building containing 708 rooms, exclusive of lobby, rotundas, card rooms, kitchens, and dining rooms and 15 other buildings adjacent thereto and part of the area connected therewith, fireproof and semifireproof, and frame cottage buildings, and the lands of said hotel company, consisting of 620 acres, containing golf course, roads and walks, meadows, excepting therefrom dairy barn building and approximately 100 acres now under cultivation, which are well removed from hotel grounds and buildings.

41. Plans for the modification and hospitalization of the premises were made by Schmidt, Garden & Martin, architects, under the direction and supervision of the representatives of the Surgeon General's division and construction division of the commission. It was contemplated by the commission that all of the hotel building proper would be used as hospital. The existing dining room and kitchen for patients' mess hall and kitchen, the ballroom over the dining room as a large ward. The bath building connection with hotel and the hotel help's quarters and the upper portion of the natatorium for enlisted personnel quar-

ters. The first floor of the natatorium to be used for enlisted men's kitchen and mess hall.

42. The gardener's and farm superintendent's house to be used for noncommissioned officers' quarters.

43. The estimates prepared by the representative of the construction division of the commission include the cost of all necessary changes and alterations.

44. No new buildings were required or necessary.

SUTTON HOTEL, APPROXIMATELY 1,000 FEET FROM HOSPITAL BUILDING.

45. Good paved roads and walks; well lighted; connecting. Contains 102 rooms, exclusive of lobby, recreation rooms, dining room, kitchen, toilets, office, and storage quarters in basement, to be used for nurses' quarters.

46. Lessor required to make such necessary repairs and alterations and additions to heating and hot-water plant and additional toilets and baths and decorations, painting, and other repairs.

47. It is directed that no changes or additions be made.

48. Notice has come to the commission that the commanding officer and construction quartermaster contemplate the construction of buildings of a temporary nature to house enlisted personnel, and the further notice that this has been abandoned, and that it is now contemplated to use the Sutton Hotel for barracks for enlisted personnel and house nurses in hospital building at the reduction of patient capacity and not use the hotel help's quarters and residence buildings required by lease—all evidently due to delay in commanding officer and construction quartermaster not being furnished with copies of lease and the commission's report.

E. G. NORTINGTON,

*Lieutenant Colonel, Medical Corps.*

J. MILTON TRAINOR,

*Representing Purchase, Storage and Traffic Division.*

RICHARD E. SCHMIDT,

*Representing Construction Division.*

WAR DEPARTMENT,

OFFICE OF THE SURGEON GENERAL,

*Washington, March 26, 1918.*

Mr. J. MILTON TRAINOR,

*30 North Michigan Boulevard, Chicago, Ill.*

MY DEAR MR. TRAINOR: I have had the matter of the State Hospital proposition up with Maj. Billings, who is now in charge of this division in Col. King's place, and with Maj. Hornsby, who represents the Hospitals Advisory Board in the Surgeon General's Office.

They have gone over the plan with me, and are heartily in favor of it providing we can secure the money to make a definite proposition. The money to be secured will be the difference between \$750 per bed, the cost of temporary construction, and \$994 per bed, the estimated cost in Mr. Thorne's figures, which we had better make an even \$250 per bed, and not run the chance of being short on the 2,020-bed basis. This would mean the addition of \$350,050 over what the Government would put in for a temporary hospital, and would give us a permanent structure.

I am satisfied that if half a million dollars could be raised it would give us funds to build and equip this hospital, in addition to what the Government will pay, and I am convinced that this can be done if the matter is handled properly.

Maj. Billings is a man who does business, and does it quick, and Maj. Hornsby is the same. They have said that they would put the matter up before the War Department, if you could guarantee the difference between the temporary and permanent structure.

It seems to me that \$350,000 in addition to the land would give Illinois a hospital which would make it the envy of every other institution in the country.

I regret very much that I can not be in Chicago on the 28th, as planned, but there was some conflict in dates and the meeting which I was to attend on the 28th was held on the 26th, so that I was unable to get there on time.

Would it not be advisable for you to call a meeting of Mr. Abbott, and President James, Mr. Gordon Ramsey, Mr. Thorne, and, if possible, Mr. Patten, of

Northwestern, or Mr. Deering, or both, and see if immediate steps can not be taken to raise this comparatively small amount immediately?

The whole proposition hinges on whether Illinois can now raise this amount of money. If it can, I am sure that the hospital will go through. If not, the Government will put up temporary buildings outside of Chicago, and the State proposition is lost for a number of years.

It might not be amiss to call the attention of the governor to this matter and state that it is gambling \$350,050 against \$2,500,000 in the future, and it looks like a thing that Illinois can not afford to miss.

I shall be very glad to hear from you at an early date.

Sincerely, yours,

P. B. MAGNUSON.

*Major, Medical Reserve Corps, for the Surgeon General.*

APRIL 5, 1918.

Maj. P. B. MAGNUSON,

*War Department, Office of Surgeon General, Washington, D. C.*

DEAR MAJ. MAGNUSON: Yours of the 26th ultimo received and contents thereof carefully noted.

I have conferred with Mr. Thorne upon the subject matter; also with George M. Reynolds, of the Continental & Commercial National Bank, and Mr. Gordan A. Ramsey, and expect to meet with James A. Patten, Mr. Ogden Armour, and Edward Swift to-morrow.

I am to-day in receipt of a communication of Mr. Thorne, written after his conference with Gov. Lowden, in which he states that if the \$500,000 fund is now advanced by a syndicate that he will recommend to the next legislature, in his appropriation, this fund, to reimburse those advancing same, if required by them. He further states that if the Illinois Legislature were now in session this appropriation would be requested.

I take this opportunity of assuring you, Maj. Billings, and Gen. Gorgas that we are confident of our ability to develop for this enterprise, in the interest of the State of Illinois and the University of Illinois and the Northwestern University and the medical profession here, the funds necessary to assure the War Department that if they be willing to advance, as rental, a lump sum equal to \$750 the bed for each 80 feet of hospital bed developed, that the land and the difference between such a fund and the total cost can be obtained from men who will advance same either for the good of the cause or until the Illinois Legislature meets and returns such advance to them.

I am expecting Mr. Thorne to meet with us and some of the gentlemen interested to-morrow, when he returns to Chicago.

Mr. Thorne has a substantial part of this fund appropriated for land purchased for hospital buildings, but not sufficient to purchase the amount of land required to develop a building of capacity of 2,000 or 3,000 beds, which are necessary.

I met Maj. Hulstead here on the 3d instant. He has been engaged in the investigation of some of the camps and hospitals connected therewith; is returning to Washington, I believe, upon the 8th. He is a staunch friend of the University of Illinois, and I explained to him what we were endeavoring to do, and the desirability of a fireproof modern hospital building or hotel building over the temporary wooden hospital building. I find that his mind is quite fixed on the desirability of temporary or wooden hospital buildings and the value of such for hospital use.

I note what you say concerning plans of building temporary hospital buildings outside of Chicago. Experience has taught us that temporary wooden hospital buildings will cost approximately \$800 the bed to building, which does not include independent sewage system, water system, paving streets and sidewalks, but at this figure is necessary to locate such buildings in a district or community where these agencies are available, thus making it necessary to locate inside the city limits of cities of a class with these agencies developed, which make the desirability from fire-hazard standpoint questionable.

We will complete a syndicate of men associated with the State authorities and possibly the aid of some of those friendly to the Northwestern University to supply a fund of \$500,000; that together with the War Department's appro-

priation, if it should meet with their approval, that this hospital building may be ready as early as possible.

Re: Cooper-Carlton.

The owners of this property in their own interest have gone on with the completion of building as a hotel. Of all the properties that we have investigated in this district or elsewhere, when considering the character, location, and plan of building, that appears best suited for hospital use, and when its capacity is considered with the price offered, your temporary building at \$800 per bed cost would have to last six years to be of equal value with this building from a rent standpoint, not mentioning the maintenance and upkeep expense of your temporary structure.

RE: Barracks.

We have had for the Quartermaster's Department here demands for barracks, quarters for men in motor transportation division, and have investigated public schools in Chicago, no longer used as schools, in good repair, and kept in order by engineer and watchman service; conveniently located, steam heated, toilet facilities, kitchen possibilities, that can be had without charge to the Government for the war period.

One large school, located at Prairie Avenue and Fifty-third Street, immediately west of Washington Park—you will recall this school—is available and reasonably desirable, as it is convenient to the Cooper-Carlton and Delprado Hotels.

There are several such buildings located throughout the city that are available and which the school board has signified their willingness to turn over to the Government for their use.

Please assure Maj. Billings that our office is at his service for any investigation or in any capacity where we might aid, and with kindest regards, I am,

Yours, sincerely,

APRIL 27, 1918.

WILLIAM C. GORGAS, Esq.,

*Surgeon General U. S. Army, Washington, D. C.*

DEAR SIR: Your representative, Mr. J. Milton Trainer, of this city, has submitted to me the suggestion of the erection of a proposed hospital building to be located in the city of Chicago in the block bounded by South Wood Street, West Polk Street, South Lincoln Street, and public alley running from Lincoln to Wood Street and north of Taylor Street, plans for which, he tells me, were submitted to you as prepared by Messrs. Richard E. Schmidt and Garden & Martin, architects, same being dated February 25, 1918.

Under the conditions hereinafter outlined I am willing to cause to be perfected an organization to be controlled by nine trustees, constituted as follows: Hon. Frank O. Lowden, governor of Illinois; Mr. C. H. Thorne, director department of welfare, State of Illinois; Mr. Edmund J. James, president University of Illinois; Mr. Wm. T. Abbott, president board of trustees, University of Illinois; Mr. Samuel Insull, chairman State Council of Defense of Illinois; Mr. Levy Mayer, member of and counsel for State Council of Defense of Illinois; Mr. R. J. Dunham, vice president of Armour & Co., and my personal representative.

Myself, and one representative to be designated by yourself.

This organization is to undertake to construct the hospital upon the location and in accordance with the plans submitted to you, to be ready for occupancy in approximately eight months (subject to usual delays), and lease same to the United States Government for use by them during the period of the war, and, if desired, one year thereafter, as a military hospital. My understanding is that the building is to be constructed and be ready for occupancy, except as to all hospital equipment, including hospital plumbing fixtures, which are to be furnished by you.

This organization will enter into a lease to the United States as above described upon the basis of the Government paying as rental the sum of \$2,000,000, which sum is to be paid into the hands of the trustees, to be available to them and to be applied toward the construction of the building.

My object in undertaking this project is twofold—first, to be of aid and service to the United States Government in the location of such a hospital in the city of Chicago; secondly, the trustees will transfer title and ownership of the hospital and the lands occupied by it to the State of Illinois upon conditions which will insure the operation of same by the State as

a public hospital. This transfer to be made when the State of Illinois has enacted appropriate legislation for the purpose. So much of the block that is not occupied by the hospital will be transferred to the University of Illinois, to be used by it as a site for a medical school, the hospital and medical school to be operated in conjunction one with the other. Conferences have already been had indicating that this is not only feasible but desirable from both the point of view of the State of Illinois and the University of Illinois.

Upon receipt of advices that the United States Government is ready to and will enter into such a lease I will immediately take steps to perfect the above organization to carry out this project.

In order that you may be advised of all the circumstances, estimates furnished to me indicate that in addition to the sum to be paid as rental by the United States Government the project will call for an additional expenditure of \$500,000, which I am prepared to personally contribute.

Yours, very truly,

J. OGDEN ARMOUR.

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WAR DEPARTMENT,  
OFFICE OF THE SURGEON GENERAL,  
Washington, April 9, 1918.

Mr. J. MILTON TRAINER,  
722 Michigan Boulevard Building, Chicago, Ill.

MY DEAR MR. TRAINER: Your favor of April 5 is received and the information therein communicated to Lieut. Col. Billings. Col. Billings stated that as soon as your arrangements were completed and the money available to cooperate with the Government in this building that he and Maj. Hornsby would take it up with the Secretary of War direct and urge strongly that this arrangement be made, and I believe with these two very strong Chicago men that the thing can be put through promptly. We are anxious to do everything we can to cooperate with you, and if there is anything I can do at this end please let me know.

It may be possible that I will be ordered to New York on other duties soon. In that case I shall let you know my address. I shall still be in close touch with this work, and because I have been moved will be no reason why I can not put in my oar when necessary.

With kindest regards, and assuring you that I wish you all kinds of success in your endeavor and appreciate very much all the things you have done and are doing for this enterprise, I am,

Sincerely, yours,

P. B. MAGNUSON,  
Major, Medical Reserve Corps (for the Surgeon General).

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MINNEAPOLIS, MINN., October 29, 1918.

Maj. JAMES S. HOLDEN,  
Chief Facilities Department,  
Purchase, Storage and Traffic Division, Washington, D. C.:

1. Forwarded under separate cover are the leases, plans, specifications, and exhibits on Field Museum Building of Natural History, located in Grant Park, Chicago, Ill.

2. Leases for Ford Motor Co. Building, Milwaukee, Wis. (hospital), and leases with Oscar Brochman, owner of one-story and basement-store building opposite Ford plant to be used for barracks; also leases with Badger State Sales Co. for the premises 439-441 Prospect Avenue, adjoining Brochman premises (also to be used as a kitchen and mess hall or barracks quarters), have also been forwarded.

3. Lease with Mr. Charles Ott for the six-story building for nurses' quarters at corner of Woodstock Place and South Summit Avenue, required in connection with the Ford Hospital, will be forwarded later.

4. These leases have not been formally received by the commission, though terms have been agreed upon.

5. Leases for Ford Motor Co. Building, Des Moines, Iowa (hospital), and leases for St. Catherine's Home for Working Girls, occupying block adjoining



hospital site on the east, nurses' quarters, furnished and completely equipped, have also been forwarded.

Also memorandum to be distributed by the facilities department to the Director of Operations, Surgeon General (attention of Lieut. Col. Kramer), Construction Division (attention of Lieut. Col. Wright).

6. The hospital commission desires that you confer with Col. Wright and Col. Kramer that competent construction quartermasters, preferably Maj. Vorhies and Capt. Cutler, be assigned to work with the construction representative of the commission; that either one may be conversant with the detail of the hospitalization of buildings constructed for from time to time; that the Surgeon General and the construction division may reasonably know the minds of the hospital division in the use of said several premises contracted for, that the construction work and use of the several premises, barracks, and nurses' buildings connected therewith may be promptly and economically developed.

7. The west Baden Springs Hotel at West Baden, Ind., is a large fireproof hotel building in good repair, estimated by Gen. Noble, then member of the hospital commission, and Mr. Schmidt, a representative of the construction division of the hospital commission, to have a normal patient bed capacity of 1,400, with adequate accommodations for recreation, dining room, kitchen, and other necessary utility units, with lands of approximately 540 acres, including roads, walks, drives, golf course, meadows, etc.

The decision of the commission there was to house the enlisted personnel in helps' quarters, good buildings adjoining the hotel and connected therewith, and to locate in such buildings the kitchen and mess room for enlisted personnel.

The commission there leased the Sutton Hotel, approximately 1,000 feet removed from hospital building, connected by good paved roads, and walks well lighted. The Sutton Hotel has a capacity of approximately 200 nurses' in addition to housekeepers' quarters, lobby office, recreation room, dining rooms, and kitchen, also toilets on the first floor. Adequate toilets and baths on second, third, and fourth floors.

Notice has come to the commission since leaving Chicago that the commanding officer and construction quartermaster contemplated:

(a) Building temporary barracks buildings for enlisted personnel adjoining hospital.

(b) Housing nurses within hospital building at reduction of patient bed capacity.

(c) Housing enlisted personnel in the Sutton Hotel.

8. The representative of the construction division on the commission, with the cooperation and approval of the Surgeon General representative (Gen. Noble), completed plans and specifications and an estimate was made of the cost of making the West Baden Hotel premises and adjoining buildings suitable for the best use of said property as a hospital, and lease was concluded with lessor with options to renew by fiscal years, and it was the opinion of the commission that the plans and specifications, when work was completed, made a very desirable hospital unit.

9. If representatives of the construction division familiar with the Surgeon General's requirements (as are Maj. Vorhies and Capt. Cutler) and familiar with hospital construction were detailed to the representative of the construction division on the hospital commission the best results would be obtained.

10. The commission of necessity must take full time to make examination of the several properties suitable for use, and in every instance it is required to make estimate of the cost of necessary alterations, changes, and additions, also restoration, and in connection with the alteration and reconstruction full memorandum must be made and plan completed to avoid unnecessary costs and delay in completing premises, and that the premises be constructed as contemplated by the commission it is necessary that these representatives be available to the construction division member of the commission that they may be left on the ground to complete the detail and begin the work, they to be relieved by a detailed construction quartermaster who will receive the instructions and carry out the plans of the commission.

11. Mr. Schmidt, the representative of the construction division on this commission, is a man who has had wide experience in the construction of hospitals. I doubt if any man has had broader experience in this line. He also has had experience in the building of buildings similar to the Ford plants, having constructed the Montgomery-Ward plants and other similar plants. In fact, I know of no architect in the Chicago district who has in the past 25

years had fuller experience in the building of all of the types of buildings being examined for hospital use, and you will recognize the possible mistakes that may arise by reason of some construction officer coming on the ground after the commission has left and endeavoring to carry out his own ideas rather than those of the commission; and to the end of success, fairness to the owners, and the early economical development to the Government, these men should be detailed without further delay.

12. Mr. Schmidt has advised Col. Wright of the necessity of competent aids; but while I am sure Col. Wright agrees with him his division evidently has not a sufficient number of such men available to fulfill the request of the commission, and should be advised of the embarrassment and necessity of furnishing competent men without delay and increase their force, if necessary.

13. I have suggested Howard L. Cheney to Mr. Schmidt, a young man who is at present in the service, and, I believe, now assigned to an officers' training camp at Camp Zachary Taylor, Ky. He has been in the service approximately eight months, and has been selected from Camp Wheeler as one of the five candidates selected therefrom. He is about 30 years of age, and has had 10 or 12 years of experience as a construction architect and engineer.

14. My reasons for speaking of Maj. Vorhies and Capt. Cutler is that they have been assigned and had charge of a considerable construction work of the office of the Surgeon General, and well understand Gen. Noble's and the hospital commission's ideas.

15. Unless this subject matter is settled where the hospital commission's plan of construction is carried out, we are liable to be in controversy with the several lessors, and where some subsequent commanding officer or construction quartermaster is allowed to make changes and follow their own wishes the costs are apt to run in excess of the estimates made.

16. I note the reference to Hornsby's commission obtaining the Ford Hospital at rental of \$1 the year. This hospital was offered, as you recall, early in September, and requested by the Surgeon General and approved by the director of operations prior to my leaving Washington. The same was true of Westchester County almshouse, though I was not aware that a rental was demanded for this property. I visited this property with Gen. Noble and Maj. Barrett while in New York, and I got the impression that the Westchester County almshouse commissioners were offering this property at a nominal rental. It was somewhat similar to the Barbary Farms at Philadelphia.

17. The Central West has had so little of the war work with the restricted building operation, it is almost impossible to obtain buildings suitable for hospitals, except upon a fair rental basis to the owners.

18. The commission examined every building available in the Chicago and near-by district, and came to the conclusion that it was practically impossible to obtain hotels, apartment buildings, or suitable warehouses or commercial buildings on any reasonable basis. The commission was fortunate in the Cooper-Monatah Hotel, as the building was not entirely completed and the owner's patriotism was aroused and resulted beneficially to the Government.

19. With reference to the Field Museum: The Field Museum is a monumental building which was built by the museum trustees as a part of the Chicago plan of reconstruction of Chicago. It is located at the south end of Grant Park on lands reclaimed from Lake Michigan. Has water to the south, east, and northeast thereof; faces to the north, toward the center of the city; is white Georgia marble. It is steel, brick, tile, and concrete, and cost, completed, approximately \$6,000,000. Building contains total of 691,000 square feet, all available and leased to the Government with the exception of a part of the basement and the central nave, giving the hospital approximately 512,000 square feet for hospital use, exclusive of boiler room and utility spaces in basement.

The building is so divided in galleries as to make ideal hospital wards. Gen. Noble and Col. Northington and Mr. Schmidt, who are known as sound hospital authorities, state that it is an ideal hospital, and that a better one of the same capacity and environment is not in existence.

20. The trustees of the Field Museum were reluctant to permit the building to be used for hospital purposes, and were very opposed to investing the funds required by them at this time to complete the work, the construction work having been under way since 1915 and the trustees were not pressing it to completion owing to the fact that their securities held in the building fund had a substantial shrinkage in their market value over what they believed the

same could be sold for on a reasonable market, but they were finally prevailed upon to make loan upon their securities for the purpose of completing the work of the museum at as early a date as possible, and to permit the property to be used by the War Department so long as it might be required, and agreement was made to lease for the Government's use to June 30, 1921, or one year after the close of the war, whichever time be the longest.

21. Necessarily the cost of hospital construction to develop 4,000 beds was considerable, embracing \$1,071,535. It is planned to locate the mess halls of patients and enlisted personnel and nurses within the first floor of the building. Barracks for enlisted personnel and nurses will be built in park adjoining museum building, also kitchen adjoining and connected with museum building to feed patients, nurses, and enlisted personnel connected with hospital.

Cost of barracks buildings, kitchen, walks, and grading of lands around building estimated by the representative of the construction division of the commission at \$505,000, making a total cost, including rent to June 30, 1919, of \$1,597,343; cost per patient bed, \$399. Cost per patient bed after June 30, 1919, \$15.62.

J. MILTON TRAINER.  
*Representing Purchase, Storage and  
Traffic Division, Facilities Department.*

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[War Department, Office of the Chief of Staff, Purchase, Storage and Traffic Division, Washington.]

MINNEAPOLIS, MINN., October 29, 1918.

From: Hospital committee.

To: Director of Purchase, Storage and Traffic, Washington, D. C.

Subject: Lease Field Museum of Natural History, Chicago, Ill.

Consideration of Maj. James S. Holden.

1. Inclosed find leases (five) executed by the Field Museum of Natural History by Stanley Field, president. Said lease becomes effective March 1, 1919. The rental for said premises is at the rate of \$5,208.33 per month.

2. These leases have been executed and approved by E. G. Northington, lieutenant colonel, Medical Corps, contracting officer.

3. A copy of this lease has been delivered to the lessor.

4. The Field Museum of Natural History is located in the southerly end of Grant Park, opposite Twelfth Street, Chicago, Ill. The building is classical Greek Ionic design, white Georgian marble, electric lighted, partially mechanically ventilated. Contains elevators. First exhibition floor: Subdivided into 17 large galleries, large central nave with surrounding side aisles. Second exhibition floor: Subdivided into 10 large exhibition halls, two large side aisles off nave. Third exhibition floor: Similar to second, divided into smaller rooms. Building dimensions are 400 by 700 feet.

Hospitalization work (to be done by lessors) requires additional plaster-board partition walls, one additional elevator, plumbing, increase of radiation, additional wiring, shades, screens, painting, building of ramps, carpentry, furnishing of mess hall, lockers, and shelving, at estimated cost of \$1,071,535.

New buildings: Barracks for housing enlisted personnel and nurses on park lands adjoining, no rent for land; one kitchen building for patients and enlisted personnel connected to hospital by inclosed passageway; four barracks for nurses' quarters; one nurses' kitchen and mess hall; four buildings for enlisted personnel quarters; one garage; one fire station.

Nurses' quarters connected to hospital by inclosed passageway.

Individual heating plants for respective groups.

Normal bed capacity, 4,000.

Rental at the rate of \$62,500 per year—\$5,208.33 the month.

Barracks and nurses' quarters to be constructed by the Construction Division of Quartermaster Corps, United States Army, and including necessary grading around hospital and barracks grounds, roads, walks, relocating switch track, and outside lighting, estimated at \$505,000.

No provision made for the housing of official personnel. Copies of plans, specifications, and details, resolutions and agreements, and data pertaining to lease forwarded to the Director of Purchase, Storage and Traffic, attention of Maj. James S. Holden.

5. The lessee herein is given the right and option to renew this lease by fiscal years at a rental at the rate of \$62,500 the year up to and including June 30, 1921, and until one year after the close of the war in which the United States is now engaged, whichever time be the longer.

6. Total rental to June 30, 1919, and cost of construction and alteration in field hospital and cost of construction of barracks, nurses' quarters, kitchen, and other outside construction equal to \$397.50 per bed for normal patient bed capacity of 4,000.

7. Normal patient bed capacity subsequent years for \$15.62.

8. The Field Museum of Natural History is well worth the consideration set forth in the lease and was best suited for the requirements of the Government.

E. G. WORTHINGTON,

*Lieutenant Colonel, Medical Corps.*

J. MILTON TRAINER,

*Representing Purchase, Storage and Traffic Division.*

RICHARD E. SCHMIDT,

*Representing Construction Division.*

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CHICAGO, ILL., October 4, 1918.

From: Construction Division.

To: D. E. Felt, regional director, Council of National Defense, 29 La Salle Street, Chicago, Ill.

Subject: Army hospital, new Field Museum.

1. The commission in search for hospitals appointed by the honorable the Secretary of War has examined and considered the new Field Museum, situated on Grant Park, Chicago, Ill., and about to complete lease therefor, subject to the approval of the regional director of the War Industries Board.

2. The building is to be used as a hospital of approximately 4,000 patient beds.

3. The building is in the course of completion. The conversion requires additional partitions, plastering, carpenter work, cement floors, and a comparatively limited amount of additional plumbing and refrigerator equipment. The boilers, heating and wiring material are on hand, and little additional material of this kind will be required for the hospital proper. Auxiliary temporary barracks and mess halls will be required for the enlisted men composing the hospital detachment and the nurses. These buildings are to be of wood, placed on Grant Park adjacent to the museum, and will require a heating plant, plumbing, and wiring. The total cost of these temporary buildings is estimated at \$600,000.

4. In accordance with memorandum to Acting Secretary of War, dated September 19, 1918, signed Henry Jervay, brigadier general, United States Army, Assistant Chief of Staff, Director of Operations, reading:

"The War Industries Board has been consulted and concurs in the general plan for hospitalization in the United States, and has instructed its regional directors to cooperate with these boards and to get the necessary clearances on each project," the board requests that you give this matter your earliest attention and forward a clearance of this project to Richard E. Schmidt, Monroe Building, Chicago, Ill., a member of the board, provided for in the order of Adjutant General to represent the Construction Division.

RICHARD E. SCHMIDT,

*Representing Construction Division.*

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[War Department, Office of the Chief of Staff, Purchase, Storage and Traffic Division, Washington.]

CHICAGO, ILL., October 9, 1918.

From: Hospital commission.

To: Brig. Gen. Hugh S. Johnson, Director Purchase, Storage and Traffic Division, Washington, D. C.

Subject: Field Museum.

For consideration of Maj. James S. Holden, facilities department.

1. The new Field Museum is a four-story and basement monumental building located in south end of Grant Park, facing Lake Michigan. The building is of steel, marble, and concrete construction and is fireproof. The cost, when completed, is stated to be \$8,000,000, exclusive of furnishings.

2. This building was investigated and is stated to have a bed capacity of approximately 4,000.

3. The trustees of the Field Museum have not been willing that the property should be used for hospital purposes, though have consented, in consideration of the exhibits of the museum being housed and stored within a part or all of the basement, and that said exhibits be permanently packed, to stay in storage for such time as the building may be used by the Hospital Division, and that the War Department pay the reasonable costs in construction to make building suitable for hospital and to pay for the removal and restoration of property, and to further pay an amount as rental equal to the average income over the past three years of the present museum now located in Jackson Park in one of the old World's Fair buildings, to wit:

Income received from South Park commissioners so long as museum is open and operated as such, annually.....	\$15, 000
Approximate average receipts from public, annually.....	8, 000
Interest upon such fund as will be required to be expended by the trustees to complete permanent work in the museum building to receive the construction necessary by the construction division for a hospital, and to be invested by the trustees in advance of time claimed by them that they would, under present conditions, be required to make this expenditure, estimated by Messrs. Graham, Anderson, Probst & White, the architects of said museum trustees, at \$824,100; 5 per cent thereon.....	41, 205
	<hr/> 64, 205

or a rental of \$53,350.42.

4. The building at present is entirely housed and the entire construction work is under way.

5. The heating plant is in process of construction. Plastering and other such interior construction, while under way, has not been pressed to completion, due, we are advised, to labor and building material cost, and to the further fact that the trustees are in no great haste to complete the building.

6. For the purpose of making the building available to the Government the trustees have tentatively suggested that they continue at their own expense to at as early a date as possible complete all of the work under the original contracts, and the trustees further agree to as soon as possible construct the interior of said building in accordance with plans that have been made by the architects of said trustees, and these figures have been investigated and are in process of being checked for the purpose of approval by officers of the Construction Division of the War Department.

7. The estimated cost of the architects representing the trustees of such work as would be required by the Government to make such building suitable for hospital purposes is placed at \$678,000.

In addition to the above figures, cost of rehabilitating the building as a museum and removing the hospital construction is placed at \$100,000.

The cost of packing the collection of exhibits now housed in the old museum and to remove them for storage to the basement of main name of the first story and basement of the new museum building, over and above the cost of removing and installing said exhibits, is estimated by the curator and superintendent of the museum at \$120,000.

8. These last two items the trustees require to be added to the construction cost and paid to the trustees in four equal payments, as shown by letter of the architects to Gen. Robert E. Noble, under date of the 7th instant, a copy of which is attached hereto.

9. Mr. Richard E. Schmidt, representing the construction division (a member of this commission), and Capt. Starr, of the construction division, are engaged at this time in checking the reasonable cost of the construction work necessary in the museum building to make the premises suitable for a hospital, and the cost of removing and cost of rehabilitating said building.

10. With reference to the barracks buildings and quarters for housing hospital personnel, mess hall, and dining room for feeding those connected with the hospital and the patients therein, a plan of these buildings has been made by Messrs. Graham, Anderson, Probst & White at the suggestion of Col. C. C. Wright, of the construction division, said buildings to be located approximately 300 feet south of the Field Museum and to be connected by closed passageway with said building. These buildings are designed with a capacity

to house enlisted personnel of 800; nurses, 400; medical staff, 100; with kitchen and mess hall of seating capacity of 3,000, with power plant and storehouse and other such necessary units as are required to house and serve the camp, as defined by the rules and regulations of the hospital and construction divisions.

11. The estimated cost of this camp complete by Messrs. Graham, Anderson, Probst & White is ———. Estimates by contractors have been made as follows:

John Griffith & Sons.....	\$975, 000
Thompson, Starrett & Co.....	972, 349
Adams & Co.....	964. 311
Gerhardt Meyne.....	674. 463
General grading to be added to each item.....	20, 000

12. The plans, specifications, scheme, and estimated cost are being checked by the construction division, and report and recommendation from the construction division will be later forwarded to the director of operations and the construction division.

13. It is expected to, if possible, develop within the basement of the museum building kitchen and dining room facilities and eliminate from the camp here referred to the kitchen and dining-room unit. This can not at this time be decided until a more complete survey is made of space required for housing of the exhibits of the museum, but it is expected that space can be made available in basement for kitchen and mess hall.

14. Grant Park is under the jurisdiction of the South Park commissioners, who hold title thereto for the people. The Field Museum is located in this park by authority of the commissioners. There is some doubt as to the legal authority of the trustees of the museum to enter into a lease, but it is considered that in view of the use and the agency acquiring same by lease, that this can be overcome.

15. The Government will be required to remove the barracks buildings from the park grounds within six months after the expiration of their lease of the Field Museum.

16. At the end of lease, by lapse of time or otherwise, the Government's liability and expense in connection with said museum building will terminate. The cost of restoring said building will, under present plan, be assumed entirely by the lessors.

17. The Government will be required to pay any excess in the insurance rate, if there be an increase in the insurance rate, above the rate as a museum.

ROBERT E. NOBLE,

*Major General, M. C.*

J. MILTON TRAINER,

*Representing Purchase, Storage and Traffic Division, Facilities Department.*

RICHARD E. SCHMIDT,

*Representing Construction Division.*

(An additional document submitted by Mr. Bennet is here printed in the record, as follows:)

#### CONTRACT FOR EMERGENCY WORK.

##### HOSPITAL AND ADDITIONAL CONSTRUCTION AT FORT SHERIDAN, ILL.

Contract made and concluded this 26th day of September, 1918, by and between Sumner Sollitt Company, of Chicago, Illinois, a corporation organized under the laws of the State of Illinois, represented by Sumner Sollitt, its president, party of the first part (hereinafter called contractor) and the United States of America by Brigadier General R. C. Marshall, jr., U. S. A. (hereinafter called contracting officer), acting by authority of the Secretary of War, party of the second part.

Whereas the Congress having declared by joint resolution approved April 6, 1917, that war exists between the United States of America and Germany a national emergency exists, and the United States urgently requires the immediate performance of the work hereinafter described, and it is necessary that said work shall be completed within the shortest possible time; and

Whereas it is not practicable to do the work hereinafter provided on or under any form of contract other than that which hereinafter follows; nor

will circumstances permit the delay in letting this contract until at least three responsible competing contractors shall have been notified and considered in connection with such contract and the awarding of the contract to the lowest bidder.

#### ARTICLE I.

*Extent of the work.*—The contractor shall, in the shortest possible time, furnish the labor, material, tools, machinery, equipment, facilities, and supplies, and do all things necessary for the construction and completion of the following work:

A hospital of 2,500 beds, conversion of existing buildings to furnish additional hospital facilities, and conversion of other buildings for accommodation of motor transport personnel at Fort Sheridan, Illinois, in accordance with the drawings and specifications to be furnished by the contracting officer, and subject in every detail to his supervision, direction, and instruction.

The contracting officer may, from time to time, by written instructions or drawings issued to the contractor, make changes in said drawings and specifications, issue additional instructions, require additional work, or direct the omission of work previously ordered, and the provisions of this contract shall apply to all such changes, modifications, and additions with the same effect as if they were embodied in the original drawings and specifications. The contractor shall comply with all such written instructions or drawings.

The title to all work completed or in course of construction shall be in the United States; and upon delivery at the site of the work, and upon inspection and acceptance in writing by the contracting officer, all machinery, equipment, hand tools, supplies, and materials, for which the contractor shall be entitled to be reimbursed under paragraph (a) of Article II hereof, shall become the property of the United States. These provisions as to title shall not operate to relieve the contractor from any duties imposed hereby or by the contracting officer.

#### ARTICLE II.

*Cost of the work.*—The contractor shall be reimbursed in the manner herein-after described for such of its actual net expenditures in the performance of said work as may be approved or ratified by the contracting officer and as are included in the following items:

(a) All labor, material, machinery, hand tools not owned by the workmen, supplies and equipment, necessary for either temporary or permanent use for the benefit of said work; but this shall not be construed to cover machinery or equipment mentioned in section (c) of this article. The contractor shall make no departure from the standard rate of wages being paid in the locality where said work is being done without the prior consent and approval of the contracting officer.

(b) All subcontracts made in accordance with the provisions of this agreement.

(c) Rental actually paid by the contractor, at rates not to exceed those mentioned in the schedule of rental rates hereto attached, for construction plant in sound and workable condition, such as pumps, derricks, concrete mixers, boilers, clam-shell or other buckets, electric motors, electric drills, electric hammers, electric hoists, steam shovels, locomotive cranes, power saws, engineers' levels and transits, and such other equipment as may be necessary for the proper and economical prosecution of the work.

Rental to the contractor for such construction plant or parts thereof as it may own and furnish, at the rates mentioned in the schedule of rental rates hereto attached, except as hereinafter set forth. When such construction plant or any part thereof shall arrive at the site of the work, the contractor shall file with the contracting officer a schedule setting forth the fair valuation at that time of each part of such construction plant. Such valuation shall be deemed final, unless the contracting officer shall, within five days after the machinery has been set up and is working, modify or change such valuation, in which event the valuation so made by the contracting officer shall be deemed final. When and if the total rental paid to the contractor for any such part shall equal the valuation thereof, no further rental therefor shall be paid to the contractor, and title thereto shall vest in the United States. At the completion of the work the contracting officer may, at his option, purchase for the United States any part of such construction plant then owned by the contractor.

by paying to the contractor the difference between the valuation of such part or parts and the total rentals theretofore paid therefor.

Rates of rental as substitutes for such scheduled rental rates may be agreed upon in writing between the contractor and the contracting officer, such rates to be in conformity with rates of rental charged in the particular territory in which the work covered by this contract is to be performed. If the contracting officer shall furnish or supply any such equipment, the contractor shall not be allowed any rental therefor and shall receive no fee for the use of such equipment.

(d) Loading and unloading such construction plant, the transportation thereof to and from the place or places where it is to be used in connection with said work, subject to the provisions hereinafter set forth, the installation and dismantling thereof, and ordinary repairs and replacements during its use in the said work.

(e) Transportation and expenses to and from the work of the necessary field forces for the economical and successful prosecution of the work, procuring labor and expediting the production and transportation of material and equipment.

(f) Salaries of resident engineers, superintendents, timekeepers, foremen, and other employees at the field offices of the contractor in connection with said work. In case the full time of any field employee of the contractor is not applied to said work but is divided between said work and other work, his salary shall be included in this item only in proportion to the actual time applied to this work.

(g) Buildings and equipment required for necessary field offices, commissary, and hospital, and the cost of maintaining and operating said offices, commissary, and hospital, including such minor expenses as telegrams, telephone service, expressage, postage, etc.

(h) Such bonds, fire, public liability, employers' liability, workmen's compensation, and other insurance as the contracting officer may approve or require, and such losses and expenses, not compensated by insurance or otherwise, as are found and certified by the contracting officer to have been actually sustained (including settlements made with the written consent and approval of the contracting officer) by the contractor in connection with said work, and to have clearly resulted from causes other than the fault or neglect of the contractor. Such losses and expenses shall not be included in the cost of the work for the purpose of determining the contractor's fee. The cost of reconstructing and replacing any of the work destroyed or damaged shall be included in the cost of the work for the purpose of reimbursement to the contractor, but not for the purpose of determining the contractor's fee, except as hereinafter provided.

(i) Permit fees, deposits, royalties, and other similar items of expense incidental to the execution of this contract, and necessarily incurred. Expenditures under this item must be approved in advance by the contracting officer.

(j) Such proportion of the transportation, traveling, and hotel expenses of officers, engineers, and other employees of the contractor as is actually incurred in connection with this work.

(k) Such other items as should in the opinion of the contracting officer be included in the cost of the work. When such an item is allowed by the contracting officer, it shall be specifically certified as being allowed under this paragraph.

The United States reserves the right to pay directly to common carriers any or all freight charges on material of all kinds, and machinery, furnished under this contract, and certified by the contracting officer as being for installation or for consumption in the course of the work hereunder; the contractor shall be reimbursed for such freight charges of this character as it shall pay and as shall be specifically certified by the contracting officer; but the contractor shall have no fee based on such expenditures. Freight charges paid by the contractor for transportation of construction equipment, construction plant, tools, and supplies of every character shall be treated as part of the cost of the work upon which the contractor's fee shall be based; provided that charges for transportation of such construction equipment, construction plant, and tolls over distances in excess of 500 miles shall require the special approval of the contracting officer.

No salaries of the contractor's executive officers, no part of the expense incurred in conducting the contractor's main office, or regularly established



branch office, and no overhead expenses of any kind, except as specifically listed above, shall be included in the cost of the work; nor shall any interest on capital employed or on borrowed money be included in the cost of the work.

The contractor shall take advantage to the extent of its ability of all discounts available, and when unable to take such advantage shall promptly notify the contracting officer of its inability and its reasons therefor.

All revenue from the operations of the commissary, hospital, or other facilities, or from rebates, refunds, etc., shall be accounted for by the contractor and applied in reduction of the cost of the work.

### ARTICLE III.

*Determination of fee.*—As full compensation for the services of the contractor, including profit and all general overhead expense, except as herein specifically provided, the contracting officer shall pay to the contractor in the manner hereinafter prescribed a fee to be determined at the time of completion of the work from the following schedule, except as hereinafter otherwise provided:

- If the cost of the work is \$100,000 or under, a fee of 7% of such cost.
- If the cost of the work is over \$100,000 and under \$125,000, a fee of \$7,000.
- If the cost of the work is over \$125,000 and under \$450,000 a fee of 6½%.
- If the cost of the work is over \$450,000 and under \$500,000, a fee of \$25,250.
- If the cost of the work is over \$500,000 and under \$1,000,000, a fee of 6%.
- If the cost of the work is over \$1,000,000 and under \$1,100,000, a fee of \$60,000.
- If the cost of the work is over \$1,100,000 and under \$1,500,000, a fee of 5½%.
- If the cost of the work is over \$1,500,000 and under \$1,650,000, a fee of \$82,500.
- If the cost of the work is over \$1,650,000 and under \$2,200,000, a fee of 5%.
- If the cost of the work is over \$2,200,000 and under \$2,450,000, a fee of \$110,000.
- If the cost of the work is over \$2,450,000 and under \$2,850,000, a fee of 4½%.
- If the cost of the work is over \$2,850,000 and under \$3,250,000, a fee of \$128,250.
- If the cost of the work is over \$3,250,000 and under \$400,000,000, a fee of 4%.
- If the cost of the work is over \$4,000,000 and under \$4,250,000, a fee of \$160,000.
- If the cost of the work is over \$4,250,000 and under \$4,775,000, a fee of 3½%.
- If the cost of the work is over \$4,775,000 and under \$5,175,000, a fee of \$179,062.50.
- If the cost of the work is over \$5,175,000 and under \$5,725,000, a fee of 3½%.
- If the cost of the work is over \$5,725,000 and under \$6,225,000, a fee of \$200,375.
- If the cost of the work is over \$6,225,000 and under \$6,825,000, a fee of 3½%.
- If the cost of the work is over \$6,825,000 and under \$7,400,000, a fee of \$221,812.50.
- If the cost of the work is over \$7,400,000 and under \$7,750,000, a fee of 3%.
- If the cost of the work is over \$7,750,000 and under \$8,350,000, a fee of \$235,500.
- If the cost of the work is over \$8,350,000 and under \$8,800,000, a fee of 2½%.
- If the cost of the work is over \$8,800,000 and under \$9,650,000, a fee of \$242,000.
- If the cost of the work is over \$9,650,000 and under \$10,000,000, a fee of 2½%.
- If the cost of the work is over \$10,000,000, a fee of \$250,000.

*Provided, however,* That the fee upon such part of the cost of the work as is represented by payments to subcontractors, under subdivision (b) of Article II hereof, shall in each of the above contingencies be two and one-half per cent (2½%) and no more of the amount of such part of the cost.

The cost of materials purchased or furnished by the contracting officer for said work, exclusive of all freight charges thereon, shall be included in the cost of the work for the purpose of reckoning such fee to the contractor, but for no other purpose.

The fee for reconstructing and replacing any of the work destroyed or damaged shall be such percentage of the cost thereof, not exceeding seven per cent (7%), as the contracting officer may determine.

The total fee to the contractor hereunder shall in no event exceed the sum of \$128,250, anything in this agreement to the contrary notwithstanding.

#### ARTICLE IV.

**Payments.**—On or about the seventh day of each month the contracting officer and the contractor shall prepare a statement showing as completely as possible: (1) The cost of the work up to and including the last day of the previous month, (2) the cost of the materials furnished by the contracting officer up to and including such last day, and (3) an amount equal to two and one-half per cent (2½%), except as herein otherwise provided, of the sum of (1) and (2) on account of the contractor's fee; and the contractor at such time shall deliver to the contracting officer original signed pay rolls for labor, original invoices for materials purchased, and all other original papers not theretofore delivered supporting expenditures claimed by the contractor to be included in the cost of the work. If there be any item or items entering into such statement upon which the contractor and the contracting officer can not agree, the decision of the contracting officer as to such disputed item or items shall govern. The contracting officer shall then pay to the contractor on or about the ninth day of each month the cost of the work mentioned in (1) and the fee mentioned in (3) of such statement, less all previous payments. When the statement above mentioned includes any work of reconstructing and replacing work destroyed or damaged, the payment on account of the fee in (3) for such reconstruction and replacement work shall be computed at such rate, not exceeding two and one-half per cent (2½%), as the contracting officer may determine. The statement so made and all payments made thereon shall be final and binding upon both parties hereto, except as provided in Article XIV hereof. The contracting officer may also make payments at more frequent intervals for the purpose of enabling the contractor to take advantage of discounts at intervals between the dates above mentioned or for other lawful purposes. Upon final completion of said work the contracting officer shall pay to the contractor the unpaid balance of the cost of the work and of the fee as determined under Articles II and III hereof.

#### ARTICLE V.

**Inspection and audit.**—The contracting officer shall at all times be afforded proper facilities for inspection of the work and shall at all times have access to the premises, to the work and material, and to all books, records, correspondence, instructions, plans, drawings, receipts, vouchers, and memoranda of every description of the contractor pertaining to said work; and the contractor shall preserve for a period of two years after its completion or cessation of work under this contract, all the books, records, and other papers just mentioned. Any duly authorized representative of the contractor shall be accorded the privilege of examining the books, records, and papers of the contracting officer relating to said work for the purpose of checking up and verifying the cost of said work. The system of accounting to be employed by the contractor shall be such as is satisfactory to the contracting officer.

If at any time the contracting officer shall find that bills for labor, material, or other bills legitimately incurred by the contractor hereunder, are not promptly paid by the contractor, the contracting officer may, in his discretion, refuse to make further payments to the contractor until all such obligations past due shall have been paid. Should the contractor neglect or refuse to pay such bills within five days after notice from the contracting officer so to do, then the contracting officer shall have the right to pay such bills directly, in which event such direct payment shall not be included in the cost of the work.

#### ARTICLE VI.

**Special requirements.**—The contractor hereby agrees that it will:

(a) Begin the work herein specified at the earliest time practicable, and diligently proceed so that such work may be completed at the earliest possible date.

(b) Promptly pay for all labor, material, or other service rendered.

(c) Procure and thereafter maintain such insurance in such forms and in such amounts and for such periods of time as the contracting officer may approve or require.

(d) Procure all necessary permits and licenses, and obey and abide by all laws, regulations, ordinances, and other rules applying to such work of the United States of America, of the State or Territory wherein such work is done, of any subdivision thereof, or of any duly constituted public authority.

(e) Unless this provision is waived by the contracting officer, insert in every contract made by it for the furnishing to it of services, materials, supplies, machinery, and equipment, or the use thereof, for the purposes of the work hereunder, a provision that such contract is assignable to the United States; will make all such contracts in its own name, and will not bind or purport to bind the United States or the contracting officer thereunder.

(f) In every subcontract made in accordance with the provisions hereof, require the subcontractor to agree to comply fully with all the undertakings and obligations of the contractor herein, excepting such as do not apply to such subcontractor's work.

(g) At all times keep at the site of the work a duly appointed representative who shall receive and execute on the part of the contractor such notices, directions, and instructions as the contracting officer may desire to give.

(h) At all times use its best efforts in all its acts hereunder to protect and subserve the interest of the contracting officer and the United States.

#### ARTICLE VII.

*Right to terminate contract.*—Should the contractor at any time refuse, neglect, or fail in any respect to prosecute the work with promptness and diligence or default in the performance of any of the agreements herein contained, the contracting officer may, at his option, after five days' written notice to the contractor, terminate this contract and may enter upon the premises and take possession, for the purpose of completing said work, of all materials, tools, equipment, and appliances, and all options, privileges, and rights, and may complete, or employ any other person or persons to complete, said work. In case of such termination of the contract, the contracting officer shall pay to the contractor such amounts of money on account of the unpaid balance of the cost of the work and of the fee as will result in fully reimbursing the contractor for the cost of the work up to the time of such termination, plus a fee computed thereon at the rate or rates for monthly payments set forth in Article IV hereof; and the contracting officer shall also pay to the contractor compensation, either by purchase or rental, at the election of the contracting officer, for any equipment retained; such compensation, in the event of rental, to be in accordance with paragraph (c) of Article II, and in the event of purchase to be based upon the valuation determined by the contracting officer as of the time of his taking such possession. The contractor hereby agrees that such payments when made shall constitute full settlement of all claims of the contractor against the contracting officer and the United States, or either of them, for money claimed to be due to the contractor for any reason whatsoever. In case of such termination of the contract the contracting officer shall further assume and become liable for all such obligations, commitments, and unliquidated claims as the contractor may have theretofore in good faith undertaken or incurred in connection with said work, and the contractor shall, as a condition of receiving the payments mentioned in this article, execute and deliver all such papers and take all such steps as the contracting officer may require for the purpose of fully vesting in him the rights and benefits of the contractor under such obligations or commitments. When the contracting officer shall have performed the duties incumbent upon him under the provisions of this article the contracting officer shall thereafter be entirely released and discharged of and from any and all demands, actions, or claims of any kind on the part of the contractor hereunder or on account hereof.

#### ARTICLE VIII.

*Abandonment of work by contracting officer.*—If conditions should arise which in the opinion of the contracting officer make it advisable or necessary to cease work under this contract, the contracting officer may abandon the work

and terminate this contract. In such case the contracting officer shall assume and become liable for all such obligations, commitments, and unliquidated claims as the contractor may have theretofore, in good faith, undertaken or incurred in connection with said work; and the contractor shall, as a condition of receiving the payments mentioned in this article, execute and deliver all such papers and take all such steps as the contracting officer may require for the purpose of fully vesting in him the rights and benefits of the contractor under such obligations or commitments. The contracting officer shall pay to the contractor such an amount of money on account of the unpaid balance of the cost of the work and of the fee as will result in the contractor receiving full reimbursement for the cost of the work up to the time of such abandonment, plus a fee to be computed in the following manner: To the cost of the work up to the time of such abandonment shall be added the amount of the contractual obligations or commitments assumed by the contracting officer, and such total shall be treated as the cost of the work, upon which the fee shall be computed in accordance with the provisions of Article III hereof. When the contracting officer shall have performed the duties incumbent upon him under the provisions of this article the contracting officer and the United States shall thereafter be entirely released and discharged of and from any and all demands, actions, or claim of any kind on the part of the contractor hereunder or on account hereof.

## ARTICLE IX.

*Bond.*—The contractor shall prior to commencing the said work furnish a bond, with sureties satisfactory to the contracting officer, in the sum of one hundred thousand (\$100,000.00) dollars, conditioned upon its full and faithful performance of all the terms, conditions, and provisions of this contract and upon its prompt payment of all bills for labor, material, or other service furnished to the contractor.

## ARTICLE X.

*Convict labor.*—No person or persons shall be employed in the performance of this contract who are undergoing sentence of imprisonment at hard labor imposed by its courts of any of the several States, Territories, or municipalities having criminal jurisdiction.

## ARTICLE XI.

*Hours and conditions of labor.*—No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the contractor or any subcontractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight (8) hours in any one calendar day upon such work, such prohibition being in accordance with the act approved June 19, 1912, limiting the hours of daily service of mechanics and laborers on work under contracts to which the United States is a party. For each violation of the requirements of this article a penalty of five dollars (\$5.00) shall be imposed upon the contractor for each laborer or mechanic for every calendar day in which said employee is required or permitted to labor more than eight (8) hours upon said work, and all penalties thus imposed shall be withheld for the use and benefit of the United States: *Provided*, That this paragraph shall not be enforced nor shall any penalty be exacted in case such violation shall occur while there is in effect any valid Executive order suspending the provisions of said act approved June 19, 1912, or waiving the provisions and stipulations thereof with respect to either this contract or any class of contracts in which this contract shall be included, or when the violation shall be due to any extraordinary events or conditions of manufacture, or to any emergency caused by fire, famine, or flood, by danger to life or property, or by other extraordinary events or conditions on account of which, by subsequent Executive order, such past violation shall have been excused.

In the event of any dispute with reference to wages, hours, or other conditions appertaining to said work between the contractor or any subcontractor and labor employed by him on said work, the contractor or subcontractor shall immediately notify the contracting officer of the existence of such dispute and the reasons therefor. The contracting officer may, at his option, instruct the

contractor or subcontractor involved in such dispute as to the method or steps which the contractor or subcontractor should follow with reference thereto, and the contractor or subcontractor shall thereupon comply with such instructions.

#### ARTICLE XII.

*Right to transfer or sublet.*—Neither this contract, nor any interest therein, shall be assigned or transferred. The contractor shall not enter into any subcontract for any part of the work herein specified without the consent and approval in writing of the contracting officer. In case of such assignment, transfer, or subletting without the consent and approval, in writing, of the contracting officer, the contracting officer may refuse to carry out this contract either with the transferor or transferee, but all rights of action for any breach of this contract by the contractor are reserved to the United States.

#### ARTICLE XIII.

*No participation in profits by Government officials.*—No Member of or Delegate to Congress, or Resident Commissioner, is or shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom, but this article shall not apply to this contract so far as it may be within the operation or exception of section 116 of the act of Congress approved March 4, 1909 (35 Stats., 1109).

#### ARTICLE XIV.

*Settlement of disputes.*—This contract shall be interpreted as a whole and the intent of the whole instrument, rather than the interpretation of any special clause, shall govern. If any doubts or disputes shall arise as to the meaning or interpretation of anything in this contract, or if the contractor shall consider itself prejudiced by any decision of the contracting officer made under the provisions of Article IV hereof, the matter shall be referred to the officer in charge of the Construction Division of the Army for determination. If, however, the contractor shall feel aggrieved by the decision of that officer, it shall have the right to submit the same to the Secretary of War, whose decision shall be final and binding upon both parties hereto.

#### ARTICLE XV.

This contract shall bind and insure to the contractor and its successors.

It is understood and agreed that wherever the words "contracting officer" are used herein the same shall be construed to include his successor in office, any other person to whom the duties of the contracting officer may be assigned by the Secretary of War, and any duly appointed representative of the contracting officer.

Witness the hands of the parties hereto the day and year first above written, all in triplicate.

SUMNER SOLLITT COMPANY,  
By SUMNER SOLLITT, *President*.

#### WITNESSES:

- (1) CHARLES H. JACKSON.
- (2) O. S. JOHNSON.

UNITED STATES OF AMERICA.  
By R. C. MARSHALL, Jr.,  
*Brigadier General, U. S. A., Contracting Officer.*

#### WITNESSES:

- (1) M. J. SWAYZEE.
- (2) G. C. MEYER.

Modification of Article XIII made in accordance with Army Regulations, par. 521, C. A. R. No. 59, August 10, 1917.

#### SCHEDULE OF RENTAL RATES.

(The rates mentioned are per day.)

The following ranges of rental rates are shown only as an indication of what may be allowed. Rentals will be fixed by contracting officer who will take into

consideration sizes, capacities, conditions, and fair market valuations of equipment. Rentals for equipment not shown on list following will be fixed as provided in last paragraph of section (c) of Article II hereof.

Automobiles	\$2.00	to \$8.00
Adding and listing machines and typewriters	.25	.50
Buckets, tippie, bottom dump, orange-peel, clam-shell, etc.	.50	2.00
Boring machines, power driven	.20	.75
Back fillers, power driven	2.50	10.00
Block machines, concrete		
Bollers, upright and horizontal	1.50	6.00
Cars, steel or wooden, contractors'	.40	2.00
Crushers, stone		
Compressors	1.50	8.00
Derricks, with or without power	.50	20.00
Dirt spreaders	2.00	15.00
Diving outfits, complete		
Engines, skeleton, with or without slewing gears	2.00	5.00
Engines, traction	2.00	15.00
Hammers, rivetting		
Instruments, engineering	.25	1.00
Locomotives, narrow or standard gauge	5.00	25.00
Mixers, with or without power, equipped with loaders or not	1.00	8.00
Motorcycles	.25	1.00
Motors, electric	.25	8.00
Pumps, with or without power	.50	6.00
Pipe machines, with or without power	.50	6.00
Pile drivers, drop, steam-hammer, or jet, with or without power	.50	25.00
Plows, not car unloaders	.25	1.00
Rail, per ton		
Rollers, horse or power	.50	15.00
Scrapers, slip or wheel	.25	1.00
Saws, power	.25	5.00
Steam shovels	10.00	30.00
Skips, steel or wooden	.10	1.00
Trench diggers	10.00	30.00
Trucks, motor	1.00	25.00
Wagons	.25	1.00

Fuel, lubricants, and labor not included in the above.

#### AFFIDAVIT OF CONTRACTING OFFICER.

(To be made only on copy for the returns office.)

I do solemnly swear that the foregoing is an exact copy of a contract made by me personally with \_\_\_\_\_;

that I made the same fairly, without any benefit or advantage to myself, or allowing any such benefit or advantage corruptly to the said \_\_\_\_\_

or any other person; and that the papers accompanying include all those relating to the said contract, as required by the statute in such case made and provided.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 191\_\_

[SEAL.]

Notary Public.

**Covenant against contingent fees.**—The contractor expressly warrants that it has employed no third person to solicit or obtain this contract in its behalf, or to cause or procure the same to be obtained upon compensation in any way contingent, in whole or in part, upon such procurement; and that it has not paid, or promised or agreed to pay, to any third person, in consideration of such procurement, or in compensation for service in connection therewith, any brokerage, commission, or percentage upon the amount receivable by it hereunder; and that it has not, in estimating the contract price or compensation demanded

by it, included any sum by reason of any such brokerage, commission, or percentage; and that all moneys payable to it hereunder are free from obligation to any other person for services rendered, or supposed to have been rendered, in the procurement of this contract. The contractor further agrees that any breach of this warranty shall constitute adequate cause for the annulment of this contract by the United States, and that the United States may retain to its own use from any sums due or to become due hereunder an amount equal to any brokerage, commission, or percentage so paid or agreed to be paid.

NOTE.—Prescribed by executive direction. See letter of June 18, 1918, from Attorney General to Secretary of War.

(At 2.30 o'clock counsel began their arguments, which are not printed in this record.)

# MILITARY HOSPITALS

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## HEARINGS

BEFORE THE

### COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS UNITED STATES SENATE

SIXTY-FIFTH CONGRESS

THIRD SESSION

PURSUANT TO

## S. RES. 386

A RESOLUTION PROVIDING FOR INVESTIGATION OF THE  
SELECTION AND ACQUISITION OF SITES FOR  
GOVERNMENT HOSPITALS

---

Printed for the use of the Committee on Public Buildings and Grounds

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## PART 3



WASHINGTON  
GOVERNMENT PRINTING OFFICE  
1919





# MILITARY HOSPITALS

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## HEARINGS

BEFORE THE

COMMITTEE ON  
PUBLIC BUILDINGS AND GROUNDS  
UNITED STATES SENATE

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PART 3



WASHINGTON  
GOVERNMENT PRINTING OFFICE  
1919

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1919

**COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS.**

**JAMES A. REED**, *Missouri, Chairman.*

**HENRY F. ASHURST**, *Arizona.*

**WILLARD SAULSBURY**, *Delaware.*

**CHARLES A. CULBERSON**, *Texas.*

**THOMAS W. HARDWICK**, *Georgia.*

**J. C. W. BECKHAM**, *Kentucky.*

**PARK TRAMMELL**, *Florida.*

**CLAUDE A. SWANSON**, *Virginia.*

**EDWARD J. GAY**, *Louisiana.*

**FRANCIS E. WARREN**, *Wyoming.*

**BERT M. FERNALD**, *Maine.*

**CHARLES CURTIS**, *Kansas.*

**HOWARD SUTHERLAND**, *West Virginia.*

**JOSEPH S. FRELINGHUYSEN**, *New Jersey.*

**JOSEPH I. FRANCE**, *Maryland.*

**IRVINE L. LENBROT**, *Wisconsin.*

**DON M. HUNT**, *Clerk.*

II

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MAY 24 1919

## MILITARY HOSPITALS.

WEDNESDAY, FEBRUARY 12, 1919.

UNITED STATES SENATE,  
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS,  
*Washington, D. C.*

The subcommittee met at 10.30 o'clock a. m. in the room of the committee in the Capitol, Senator Thomas S. Hardwick presiding.

Present: Senators Hardwick (acting chairman), Beckham, Trammell, France, and Lenroot.

The CHAIRMAN. If there is no objection, the Stotesbury report will be printed in the record.

(The matter referred to is herewith printed in full, as follows:)

WAR DEPARTMENT,  
OFFICE OF THE SURGEON GENERAL,  
*Washington, October 26, 1918.*

DEAR MR. SECRETARY: I am very much opposed to taking over the Field Museum in Chicago and the Speedway project in that city.

We are proposing to spend over \$2,000,000 trying to make the Field Museum into a temporary hospital, and after we get through with it it will be just as much of a hospital as a cyclone cellar with a glass top would be; besides I have rounded up over 20,000 beds, scattered over the country in buildings of excellent character that adapt themselves to hospital purposes, and they are costing us \$1,760,000. The Field Museum proposition costs more than all of mine together and will never be a hospital, and even if it could be made into a hospital it is going to take many months to complete the alterations.

I am opposed to the Speedway project, which seems now to have been disapproved by Mr. Crowell, for the reason that we are asked there to pay \$3,500,000 for 2,500 beds which will eventually hold considerably less than 2,000 people after the personnel is taken care of. One of the arguments in favor of this project is that it can be made into a permanent Army hospital after the war. Chicago is my home, as you know, and I know this property well; it is situated in a low, sordid part of Chicago—out on the west side in a locality that is extremely uninviting to live in.

It seems to me that if we are going to spend as much as \$3,500,000 for a permanent hospital for the Army we would go out to Sheridan, which is so beautifully situated, up over the lake in a forest of great primeval trees, in a rolling country, and not go and squat down into a place that is under water half the time.

Without either of these projects Chicago is not in a bad situation in regard to hospital beds. Sheridan can take care of approximately 1,500 patients now, and we are building 2,500 beds there, and by a little alteration we can increase to five or six thousand beds, and we can do this on our own property and of construction that will last at least for a number of years—far beyond the time when this war will affect hospital conditions.

We made a huge mistake in building up a great patchwork piece of hospital construction at Walter Reed; if we are going to have some decent, permanent Army hospitals, let's lay them out in some sort of color and locate them where they will be places of beauty and usefulness.

Sincerely, yours,

JOHN A. HORNSEY.

HON. NEWTON D. BAKER,  
*Secretary of War.*

## MILITARY HOSPITALS.

[First indorsement.]

WAR DEPARTMENT,  
OFFICE OF INSPECTOR GENERAL,  
October 29, 1918.

To Maj. LOUIS W. STOTESBURY, Inspector General's Department for investigation, report, and recommendation.

J. L. CHAMBERLAIN,  
Inspector General.

[Second indorsement.]

WAR DEPARTMENT,  
OFFICE OF INSPECTOR GENERAL,  
November 16, 1918.

To the Inspector General of the Army, with report of investigation inclosed.

LOUIS W. STOTESBURY,  
Major Inspector General's Department.

WASHINGTON, D. C., October 26, 1918.

Hon. NEWTON D. BAKER,  
Secretary of War.

DEAR SIR: Under what we understood to be your direction, we entered into negotiations last August with the Construction Department and prepared plans and specifications under its direction for the construction of a 2,500 bed fire-proof hospital and six additional buildings on the Speedway Park, to cost (with 820 acres of land and improvements), \$2,500,000. The department's counsel prepared the contract for this work (herewith we hand you copy), and by the direction of the department on August 30, 1918, we executed the contract so prepared; and at the same time the plans and specifications were approved and signed by us and by the Construction Department. On the same day we were directed by the department to proceed to Chicago and begin work which we did on September 3, 1918, and have expended over \$350,000 on the job, under the supervision of the Government's own representative, continuously, on the ground until about 10 days ago. In order to do this work we had to tear down existing structures which cost over \$200,000 about 3 years ago, and could not be reproduced for anywhere near that sum to-day.

On October 1, 1918, Mr. Hare, Assistant Secretary of War, informed us that inasmuch as the Government had not formally signed the document, the contract was not binding; but the Government would entertain a new bid to cover additional buildings. Mr. Hare then turned us over to the Construction Department, which prepared plans and specifications for 27 additional buildings on which we bid, and shortly thereafter prepared plans for eight buildings upon which we also bid. At the request of the department, we consolidated all the bids under a proposal dated October 12, 1918, which we transmitted to the department. Under this final bid the total work was to cost \$3,253,475, on the basis of 2,500 beds; or, at the end of 8 years, if the Government preferred, we would take back the property so that the cost to the Government would be \$1,957,264, or \$783 per bed on the basis of only 2,500 beds; but on the basis of 4,000 beds (as hereinafter set forth) the cost would be only \$489 per bed.

This is only a very condensed statement of what occurred.

## SPEEDWAY AND FIELD MUSEUM COMPARED.

We understand the Government recently took over the Field Museum at Chicago, and with your permission we will contrast the two projects.

The plans and specifications for the Speedway Hospital call for 440,000 square feet of space, and the Field Museum has available only 455,000 square feet. The museum is about 600 feet long by something over 300 feet wide, and is so constructed that a considerable part of the gross area can not be utilized for the location of hospital beds, while the Speedway Hospital was so designed that every foot is available for hospital purposes.

The cost of the Speedway Hospital is not estimated, but is specifically guaranteed by responsible people; on the other hand, the estimated cost of \$750

per bed for Fort Sheridan (of frame construction), or the estimated cost of \$453 per bed for the Museum, is not guaranteed by anyone. We have no hesitation, Mr. Secretary, in going on record that the estimated cost of \$453 per bed for the Museum will, in the end, greatly exceed that amount. For hospital purposes the Museum has less floor space than the Speedway Hospital. Therefore, if 4,000 beds can be located in the Museum, at least an equal number of beds can be located in the Speedway Hospital. Locating 4,000 beds (instead of 2,500 beds) in the Speedway Hospital (as the department proposes to locate 4,000 beds in the Museum with about the same number of square feet), the cost of the Speedway project per bed will be only \$489.

We are ready to submit this question of how many beds can be properly located in the Museum and in the Speedway Hospital, respectively, to the Government Construction Department and abide by its decision.

We are advised that the Museum plans do not include a series of buildings and structures specifically called for by the Speedway plans; these buildings and structures will cost, in round numbers, at least, if not in excess, of \$300,000. Deducting this \$300,000 from the Speedway cost makes the beds of the Speedway project cost \$414 per bed instead of \$489 per bed, and this cost is \$39 per bed less than the estimated cost per bed of the Field Museum project.

The Speedway Hospital was specially designed by the Surgeon General's office and the Construction Department for the purpose of creating a complete, modern, fireproof reconstruction hospital, while the Field Museum under the most favorable conditions and with the best of architects, must necessarily be something of a makeshift.

The Museum adjoins the Illinois Central Railroad, over whose tracks, we are creditably informed, about 1,500 trains pass daily. The noise, dirt, smoke, and gases from the engines will make it impossible to keep the doors or windows of the Museum open summer or winter. In view of these undisputed facts, we respectfully submit the selection of the Field Museum as a hospital for our soldier boys, many of whom will return nervous wrecks, is a grave error.

In addition to this, we are advised that the Museum will be filled with lumber in the way of partitions, stairways, and floors, so that, to a very considerable degree the Museum can not be said to be a fireproof hospital, while the Speedway Hospital building is fireproof from foundation to roof.

#### LEASE OF SPEEDWAY PARK.

If the Government prefers, we will lease the Speedway Park for the period of eight years, with the usual cancellation clause. All the buildings and improvements required by the Surgeon General in accordance with the plans and specifications heretofore furnished us by the Construction Department will be built and completed by us for the sum of \$1,957,264. On the basis of 4,000 beds, this makes the cost \$589 per bed.

All improvements to revert to us at the end of the term.

For each year the property is retained by the Government it is to pay as rental a sum equivalent to a fair rate of interest on our additional investment of, in round figures, \$1,300,000.

Respectfully, yours,

GEO. H. SHANK,  
President Shank Co.

WAR DEPARTMENT,  
OFFICE OF THE ASSISTANT SECRETARY,  
Washington, D. C., October 22, 1918.

#### Memorandum for the Assistant Secretary of War:

Early in June when Col. Billings and Gen. Noble were in Chicago a real estate agent brought to their attention the Speedway Park as a possible site for a permanent hospital. Col. Billings states that at that time they did no more than look at it and recognize that it might be a suitable place for a hospital.

Nothing further was done in the matter until Mr. Hines and Mr. George H. Shank, a contractor, and with Mr. Hines, the owner of the property, decided to bring the matter formally before the attention of the War Department. Mr. Newman, Mr. Hines's attorney, asked Mr. D. W. Erskine, of Chicago, with whom he had business relations, to interest himself in the matter. Mr. Erskine thereupon called on the Secretary of War early in August and stated that Mr. Hines was prepared to erect a 2,500-bed permanent fireproof hospital for the

Government on the Speedway Park site and turn it over to the Government at a cost of \$1,000 a bed.

Mr. Erskine was referred by the Secretary of War to Dr. Keppel, who asked him to lay the matter before the director of operations, which Mr. Erskine accordingly did, Gen. Jervy stating that he would turn the matter over to the Construction Department and have the entire project looked into.

From that time on Mr. Erskine, Mr. Shank, and Mr. Newman, the attorney for Mr. Hines, were continuously in touch with the Construction Department. A detailed contract was worked out during the latter part of August and signed by Mr. Shank, although it was clearly understood by him that no work should go forward until the entire project had the approval of the Secretary of War. This is most clearly stated in the statement signed by Col. Shelby, which is attached hereto and marked "Exhibit A," and in the statement signed by Col. Wright, which is attached hereto and marked "Exhibit B."

It is proper to state, however, that as a result of Mr. Erskine's representation an atmosphere was created in the minds of the officers of the Construction Division at work on the project and in the minds of the officers of the Surgeon General's Division interested in the project that the entire matter had been approved in principle by the Secretary of War and that it was merely a question of working out the details by the Medical Department and the Construction Division.

The Medical Department was at that time exceedingly anxious to have its general program approved for the procurement of approximately 10,000 beds in Chicago and the immediate vicinity, and it recognized that here was an opportunity to secure a permanent fireproof hospital with a capacity of 2,500 beds at a price of \$1,000 a bed, which was considerably less than the Government could build such construction for at that time; a figure of \$1,500 per bed having been given by the Construction Department as the approximate figure at which such construction could be completed by the Government at that time.

On August 30 or 31 Mr. Erskine asked Col. Wright, of the Construction Division, to go with him to the Secretary of War's office and see whether or not it was possible to secure an informal approval of the contract in advance of clearance by the War Industries Board. Col. Wright assented and went with Mr. Erskine to the Secretary of War's office, but they were unable to see the Secretary, as he was leaving that day, or had left the day before, for France.

Mr. Erskine then went to the office of the Director of Operations where he was told that the papers had not been received from the Construction Department and that when they were received they would have to take the regular course through military channels. It will be noted from Col. Wright's statement on page 4, however, that Mr. Erskine went to his office on the 31st of August and asked him if it would be safe for them to go ahead with the project. Col. Wright told Mr. Erskine that if he did go ahead it was entirely at his own risk. A day or two later Mr. Erskine informed Col. Wright that he had decided to go ahead with the project, and that if it were not finally approved he and Mr. Shank would split the expense incurred "fifty-fifty."

Mr. Erskine about this time also had a conversation with Gen. Noble, when he told him that the contractor was going to start work on the hospital. Gen. Noble told Mr. Erskine that he was taking a long chance. Work, however, was begun about September 3.

Mr. Shank, the contractor needed priorities for his materials and asked Mr. Schmidt, who had been designated as the prospective supervising architect by the Construction Division and who was on the ground supervising the work (a purely protective measure on the part of the Construction Division so that if the project were approved at a later date they would have had a representative on the ground from the time the work started) to secure priorities for him. Mr. Schmidt states that he informed Mr. Shank that no priorities could be obtained until after the approval of the contract by the Secretary of War. Mr. Shank then directed Mr. Foster, of his organization, to wire the Construction Division asking for priorities on the material. The following telegram was sent:

Col. C. C. WRIGHT,

*Cantonment Division, Washington:*

We are proceeding with work on hospital as ordered. Much delayed by lack of material; must have priority order at once. Wire.

SHANK Co.

On September 11, Col. Gunby, Acting Chief of the Construction Division, replied as follows:

SEPTEMBER 11, 1918.

The SHANK Co., Chicago, Ill.:

Reference telegram September 10. This office has ordered no construction work in connection with hospital at Chicago. This matter has been taken up verbally to-day with Mr. Erskine, who will wire in reference to same.

MARSHALL,  
Chief of Construction Division.

You will note in Mr. Shank's examination, which is attached hereto and marked "Exhibit C," on page 6, he states that when he was informed of Col. Gunby's reply to his telegram he did not do anything about it, that the telegram made no impression on him at that time.

All of the foregoing information was secured by me after the project had first come to my attention, which was on September 18 at 4.45 p. m., when the papers were brought to my desk by Col. Kellond, of the Operations Division, and Col. Dickinson, with the request that I immediately take the matter up with the Acting Secretary of War and have the project passed, as it was an urgent necessity.

I had scarcely begun to examine the papers before I was informed by the Acting Secretary of War that a protest had been received from Mr. Baruch, asking that no action be taken until Mr. Baruch had an opportunity to see Mr. Crowell the next morning.

I was informed that the War Industries Board had passed the project under protest in view of the fact that work had already been started and materials moved to the ground without first having secured clearance from the War Industries Board. It was explained, however, that the contractor did this entirely on his own responsibility, and that the War Department did not acquiesce either in the starting of the work or in the procurement of materials.

The papers as they were brought to me called for a total expenditure for the 2,500-bed hospital of \$3,410,300, or at the rate of \$1,364 per bed and not for \$2,500,000, or at the rate of \$1,000 per bed, as the original project brought to the attention of the Secretary of War by Mr. Erskine called for. The reason for the increase in price was due to the fact that the Construction Department, upon looking into the project, found it necessary, in addition to the main hospital building which was to be erected for \$2,500,000, to erect nurses' quarters and other quarters for the personnel which brought the price up to \$3,410,000.

Following the advice of the Acting Secretary of War, I started an investigation of all the various matters which in any way related to the Speedway Hospital project and from that time on was constantly being interviewed by Mr. Erskine, Mr. Hines, and finally by Mr. Shank in an effort to have some decision reached in the matter.

On September 19 the commission, headed by Gen. Noble, started on its tour of the Middle West in an effort to secure hospital beds through the leasing of whatever buildings might be suitable and the erection of temporary structures where leasing could not be had. It had been decided that in view of the great difficulty encountered in securing materials for all the necessary projects of the War Department that it was undesirable to erect permanent hospital buildings as long as the main object to be gained was the procurement of a sufficient number of beds to take care of our wounded soldiers for the duration of the war and a reasonable period thereafter.

As a result of this investigation on the part of Gen. Noble, it was quickly ascertained that it was possible to erect a temporary hospital on the Government reservation at Fort Sheridan and through the use of existing buildings secure beds for approximately 4,000 patients at a cost of approximately \$710 per bed. It was further found that the Field Columbia Museum could be secured and another 4,000 beds erected there at a total cost of approximately \$1,750,000, or \$437.50 per bed.

In telephone conversation with Gen. Noble, who was then in Chicago, I asked him, with the various propositions for hospitals before him, which of the various sites under consideration did he prefer and what would be the order of his preference. Gen. Noble stated that in view of the fact that Fort Sheridan had already been selected his next choice would be the Field Columbia Museum and that he would be equally satisfied for second choice between the Speedway Park proposition and the Marquette Park proposition, the latter being one of the



South Chicago parks which was also under consideration for the erection of a temporary hospital.

On Thursday, September 26, the Fort Sheridan project was approved by the Acting Secretary of War and the Speedway Park project disapproved, and on Friday, September 27, a letter was received from Mr. Shank, the contractor, which is hereto attached and marked "Exhibit D," stating that in view of the fact that he had been proceeding under Government authority he did not understand why the project had been stopped. Mr. Shank was informed that no Government authority had been given to the enterprise, and on October 1, Messrs. Hines, Newman, and Shank appeared in my office and signed the attached statements, which are attached hereto and marked "Exhibit E," and are self-explanatory.

They also gave me a statement which had been prepared by Mr. Newman for Mr. Shank's signature, entitled "History of the Speedway Park Hospital Project," which is attached hereto and marked "Exhibit F."

As a result of the many misstatements contained in this article it was deemed advisable to have Mr. Dorr cross-examine Mr. Newman and Mr. Shank, and you will note from the examination of Mr. Newman, attached hereto and marked "Exhibit G," that on page 3 he states that the statement that he had been reliably informed that the draft of the contract had been submitted to Mr. Hare and gone over very critically by him with Maj. A. A. O'Brien about four weeks before the entire project was disapproved was merely an inference, and later in the same examination (Exhibit G), Mr. Newman states, "I may be entirely wrong. How I got the impression I do not know"; and in fact a careful perusal of Mr. Newman's examination will, I think, tend to throw doubt upon the accuracy of a large part of the statement which Mr. Newman prepared for Mr. Shank's signature.

Bearing on this entire matter is the statement of Maj. A. A. O'Brien attached hereto and marked Exhibit H.

These various statements indicate, I think, very clearly that it was necessary for the Construction Division to proceed as far as it did in the general consideration of the project before it was in a position to forward its recommendation to the Director of Operations, and in view of the fact that Mr. Erskine informed me personally that the project had been undertaken on his (Mr. Erskine's) direct responsibility, and that he made the same statement to Gen. Noble, I do not feel that the Government is under any moral obligation to change its attitude as to the project.

However, upon the suggestion of the Assistant Secretary of War I told Mr. Shank that if he cared to offer any further proposition in connection with the hospital at Speedway Park it would receive consideration on its merits.

At various times from September 20 to October 10, I was called upon by Senator Lewis, Congressman McAndrews, Congressman Madden, Mr. Erskine, and Mr. Hines. Mr. Erskine also interviewed Dr. Keppel in an effort to secure his cooperation in having the entire project reconsidered. Mr. Creel was also appealed to by Mr. Erskine and came in to see me, stating that he hoped we would do what we could in the matter as Mr. Erskine was a personal friend of his (Mr. Creel).

In view of the fact that the department is every day considering and passing upon vastly larger projects than the suggested hospital at Speedway Park, Chicago, and that in no instance have any of the projects which have been brought to my attention been considered other than from a business standpoint, it seems extraordinary that it should be necessary in a project of this character to have so much pressure brought to bear upon the department from every angle.

As the result of giving Mr. Shank and Mr. Hines an opportunity to reconsider the entire project, on October 12, a new proposition was submitted, which is attached hereto and marked Exhibit I, which cuts the original cost of the 2,500-bed hospital complete from \$3,410,000 to \$3,253,475. Col. Wright explains that the reason this proposition is lower than the former proposition is due to the fact that Mr. Shank has not included a sum for contingencies which it is the practice for the Construction Department to include. The new project, however, has a repurchase clause which states that at any time during the next five years, the Shank Co. will be willing to repurchase the hospital ground, etc., for \$1,296,211, and will deposit this sum in Liberty bonds with the Continental and Commercial National Bank, of Chicago, as a guarantee.

On Saturday, October 19, Mr. Hines called upon me and wanted to know if he could not have this project accepted at once as he was being urged to sub-

scribe to Liberty bonds and had informed his Chicago friends that if he could put this deal through he would subscribe to the extent of \$1,296,211. I told him that the proposition had not been received from the Director of Operations and that any subscription which he cared to make for Liberty bonds would have to be a personal one and not based in any way upon what action the Government might or might not take in connection with the proposed hospital.

If this last proposal of the Shank Co. is accepted it would mean that the Government would secure a fire-proof hospital of 2,500 beds capacity at a cost per bed of \$1,304, or if the repurchase clause is accepted at a cost of \$782.90 per bed.

I am informed by Col. Wright that a later investigation at Fort Sheridan discloses the fact that they will be able to accommodate, approximately, 5,000 beds at that point at a cost of approximately \$700 per bed, and that while this will largely be temporary construction, the life of this temporary construction may be considered fairly as of 10 years duration.

Furthermore, as the result of Gen. Noble's investigation in Chicago, it has been found possible to secure the Field Columbia Museum, which is capable of holding 4,000 beds, at a total cost of \$1,750,000 for the duration of the war and a reasonable period thereafter, or at a cost of \$437.50 per bed. This under date of October 15 was approved by Gen. Jervy and informally approved by the Assistant Secretary of War.

Col. Dickinson, under date of October 19, however, writes the attached memorandum, marked Exhibit J, to Gen. Jervy recommending the disapproval of the Field Museum Building and the approval of the Speedway Hospital site. Col. Dickinson says that his reason for his change of opinion in regard to the Field Museum is due to the fact that its cost is more than he originally estimated, and furthermore, that being situated on the Lake front it would be a colder site in winter than the Speedway Park, and furthermore, that it has not the space around it for the use of convalescing patients that the Speedway Park project has.

It must be remembered that the leading Chicago hotels are on the Lake front, and that many of the residences of the prominent citizens of Chicago are on the Lake front. They tell me that they do not suffer from the cold winds from the Lake during the winter and the convenience of the Field Columbia Museum, from a railroad standpoint, and from the standpoint of the families of the men who would be quartered there, is, of course, greater than if the hospital were placed at Speedway Park.

The entire hospital bed requirements are undergoing revision at this time, and while the original number of beds required by the Surgeon General's Department for Chicago and the immediate vicinity were originally estimated at 10,000, this figure has now been reduced and it is considered that 8,500 beds will be ample. We are now sure of 5,000 beds at Fort Sheridan, at a cost per bed of approximately \$700. We have rented the Cooper Monatah Hotel, at a cost of \$52,000 per year, with the privilege of renewing the lease at the same figure from year to year, where we have space for 600 beds at a cost per bed of \$86.06.

We are therefore still in need of 2,900 beds in accordance with the revised estimate of the Surgeon General's requirements; 2,500 of these beds can be secured at Speedway Park under the revised offer of the George H. Shank Co., including the repurchase clause at \$782.90 per bed, or they can be secured at the Field Columbia Museum, together with 1,100 additional beds for a margin of safety at a cost of \$437.50 per bed.

The following data brings the cost per bed of the various projects up to date:

	Number per bed.	Amount.	Cost per bed.
Speedway Park (original project).....	2,500	\$3,410,300.00	\$1,364.00
Speedway Park (new proposition omitting repurchase clause).....	2,500	3,253,475.00	1,304.00
Speedway Park (new proposition including repurchase clause).....	2,500	1,957,264.90	782.90
Field Columbia Museum.....	4,000	1,750,000.00	437.50
Fort Sheridan—accepted and under construction.....	5,000	3,500,000.00	700.00
Cooper Monatah Hotel—accepted.....	600	52,000.00	86.66

C. W. HARR

OCTOBER 24, 1918.

Memorandum for Gen. Jervey.

The following memorandum is a final settlement of the matter providing hospitals in the city of Chicago:

The following projects have been submitted and carefully considered:

1. Fort Sheridan, 5,000 beds, at an estimated cost of \$700 per bed. This project has been approved by me.

2. Field Museum, 4,000 beds, at an estimated cost of \$437.50 per bed. Under instructions this contract has been signed and the project is now finally approved by me.

3. The Cooper Monotah Hotel has been accepted with 600 beds, at a rental of \$52,000 per annum, or a cost per bed of \$86.66, and is hereby approved.

This gives us a total of 9,600 beds in Chicago, which is more than sufficient for our needs.

The Speedway project as first submitted involved an estimated cost per bed of \$1,364, but a revised proposition places the cost per bed at \$1,304. The repurchase clause brings the cost per bed down to \$782.90. This Speedway Park project is hereby definitely and finally disapproved.

B. CROWELL,

The Assistant Secretary of War.

OCTOBER 12, 1918.

To the SECRETARY OF WAR.

Attention of Mr. Hare.

DEAR SIR: For the purpose of uniting all the proposals heretofore made into one proposal the undersigned hereby proposes to convey the title to the west half of section 23, township 39 north, of range 12 east, of the third principal meridian, in Cook County, Ill. (except the Illinois Central Railroad right of way), comprising about 320 acres, and to furnish all labor and materials necessary for the construction and completion of a group of hospital buildings as follows:

**A. Buildings.**—One administration building; one main building, sections A to H, inclusive; one kitchen building; one receiving building; one power house, including pump room; one laundry; connecting corridors.

All of the foregoing as per plans and specifications heretofore signed by the Shank Co. on August 30, 1918, and the document prepared by Maj. O'Brien and signed by the Shank Co., August 30, 1918, all in the possession of the Construction Division. Also the following:

One bakery, with facilities to provide for 2,500 patients, 30 feet by 40 feet. In accordance with standard S. G. O. drawings.

One two-story officers' quarters, D-10.

One two-story officers' quarters, mess, and kitchen, D-11.

Three two-story nurses' quarters, E-20.

One two-story nurses' quarters, with infirmary, E-21.

One two-story nurses' quarters, with mess and kitchen, E-22.

One two-story laboratory and mortuary building, F-21.

One garage, H-12.

One shop building, H-13.

Three two-story hospital corps detachment barracks, N-9.

One two-story hospital corps detachment barracks, with mess and kitchen, N-10.

One commissary storehouse, O-10.

Six storehouses, O-10.

One chapel, P-6.

One guardhouse, P-17.

One one-story physical therapy building, S-1.

One two-story shop building, U-1.

One two-story school building, V-1.

One two-story combination school and shop building, U-V.

One fire house, 620-365.

One waiting room, 16 by 30 feet, with toilet, light, stoves as shown on block plan, at Ninth Avenue entrance.

Ten guardhouses, using existing ticket booths, and put in repairs.

Open corridor connection to school buildings as shown on block plan.

All as per plans and specifications designed in the office of the Surgeon General and accepted by the Construction Division.

The further details relating to construction will be found in sheet A, attached to this proposal, and is a part of the same.

All the foregoing to be done for the lump sum of \$3,253,475, which includes the cost of contractors' liability insurance.

We will furnish the usual contractors' bond to complete the work.

This proposal is based on our using such of the materials now on the ground as can be used to advantage.

The undersigned will complete all of its original proposal, which contemplated the transfer of title to the said land and the construction of a four-story fireproof hospital building, fireproof administration building, laundry building, power house, kitchen, receiving ward, and communicating corridors, for \$2,500,000, according to the plans and specifications signed by the undersigned on August 30, 1918, and the terms of a document prepared by Maj. O'Brien and signed by the Shank Co. on August 30, 1918.

#### PROPOSAL ON COST BASIS.

If the Government prefers, we will construct the buildings and do the work (in addition to the foregoing hospital building and six structures) shown on block plans furnished the undersigned by the Construction Division on October 11, 1918, and hereto attached, on the basis of actual cost, without compensation, profit, or fees of any sort. This additional work can be done by us at the same time as we are constructing the hospital building and six structures, and therefore our overhead expenses for this additional work will be practically nominal.

In case the Government accepts the foregoing cost plan, we will allow the Government a discount of 33½ per cent off the present Chicago price current on such of the materials now on the ground as we may use.

#### REPURCHASE.

When the hospital buildings are placed upon the Speedway Park the property naturally will have only a limited use and salability; but our confidence in its value is such that we are willing at any time during the next five years, if the Government should conclude to abandon the hospital (as it probably will its temporary hospital structures), to take the property off its hands, exclusive of the furnishings (which would remain the property of the Government), and pay the Government for the same the sum of \$1,300,000. We will deposit \$1,300,000 in Liberty bonds with the Continental & Commercial National Bank of Chicago as a guaranty that we will purchase the property from the Government at any time during the said five years and pay for the same, said sum of \$1,300,000.

Should the Government, however, be unwilling, on or before the expiration of said eight years, to sell, then said Liberty bonds are to be delivered to us by the bank as our property.

Under this proposition the Government will have the use of the fireproof hospital for eight years at a cost of \$97.47 per hospital bed per annum.

If there be any existing statute in the way of carrying this proposal into effect, we are ready to carry out its spirit and essence under any plan counsel may deem safe and proper.

Yours, very truly,

*President Shank Co.*

#### SHEET A.

A. Both sets of plans referred to in the annexed proposal are subject to further elaboration by the architect to be designated by the construction division to make these revisions, but it is understood that the completion of said plans and specifications prepared by said architect or Surgeon General's office, shall not involve or include any material changes and alterations in or additions to foregoing plans or designs of said buildings and structures.

B. *Heating.*—The contractor (Shank Co.) is to install a complete two-pipe vacuum system of steam heating, consisting of the necessary radiation, pipes, fittings, and all steam specialties, a vacuum valve being located at the return end of each radiator, and a supply valve being located at the supply end of each radiator.

The system essentially shall be on a basis of a high vacuum distribution from the boiler plant to the various control points in each of the unit buildings; that is to say, each unit is to have its own high-low vacuum control, so that a uniform distribution of vacuum can be maintained throughout the entire group of buildings, all condensation from all radiation being returned to the boilers. The heating system shall be complete, including all vacuum pumps and all regulating valves and apparatus required. The vacuum system shall be provided for all buildings throughout, except as otherwise herein or in the annexed proposal provided.

The boiler shall be of the high-pressure design, in such units so as to give the maximum flexibility. At least one unit shall be in reserve under maximum load conditions. Boilers shall be of such design as to meet the approval of the engineering branch, Construction Division of the Army.

For all domestic steam requirements, including laundry and kitchen and such sterilizing apparatus required in the various wards, etc., there shall be installed in the boiler house two 150-horsepower horizontal return tubular boilers, with forced draft under grate blower unit. All domestic steam piping shall be kept independent of the heating piping; that is to say, there shall be provided an intermediate pressure steam main which shall operate apart from the high-pressure steam main for summer-load conditions.

Provide coal storage 28,000 cubic feet. Provide bin for ashes, 40 tons capacity. All plans and specifications for the heating system and boiler shall be submitted for approval to the engineering branch, Construction Division of the Army.

C. *Plumbing*.—A complete system of sanitary plumbing, complying with the ordinance of the city of Chicago, shall be installed. All fixtures shall be grade A, complying with the specifications of the Surgeon General's office. All plans and specifications shall be submitted to the engineering branch for approval. Use existing plumbing material on property, subject to Surgeon General's office approval.

The system of plumbing shall provide for all water supply, both hot and cold water, all soil, waste, and vent piping and extensions to the present sewerage system, and shall include the installation of any special apparatus required by the Surgeon General's office, complete with all connections.

D. *Sewer system*.—A complete sewer system on grades satisfactory to the Construction Division, with pumping station, if such is required, to insure operation under all conditions. Secure the use of the Maywood sewerage disposal system for permanent use on terms satisfactory to the Construction Division.

E. *Water*.—Construction division to furnish equipment, which is to be installed by contractor (Shank Co.)

F. *Electric service*.—Furnish power lines to buildings from available source and provide necessary equipment for furnishing electric service, according to plans and specifications of architect mentioned in the annexed proposal and plans and specifications of the Surgeon General's office; also mentioned in said proposal. In addition to interior installation as called for by plans, furnish exterior lights, as shown on block plan.

G. *Roads*.—Necessary bituminous macadam roads or cinder or slag roads, according to Construction Division specifications herewith, as called for by plans, street pavement connections to existing public pavements and sidewalk connections to existing sidewalks. Also necessary roadways for local fire apparatus. Provide shelter over receiving platform of kitchen and receiving building and connection with the commissary stores.

H. *Drainage*.—Provide outfall that will insure adequate drainage for all conditions.

I. *Fire protection*.—Construction Division to furnish equipment which is to be installed by contractor (Shank Co.).

J. *Cleaning up and clearing ground of existing structures*.—Put in repair existing fences inclosing property and providing gates as directed. Clean up the grounds, and remove such existing structures and materials as the contractor (Shank Co.) may not have removed.

OCTOBER 18, 1918.

To the SECRETARY OF WAR:

Attention of C. Willing Hare, Esq.

1. Amending the proposal dated October 12, 1918, for the construction of a hospital at Speedway Park, Maywood, Ill., we hereby extend the time in which

the Government may require us to purchase the property and buildings back to eight years instead of five years.

SHANK Co.  
By GEO. H. SHANK.

OCTOBER 11, 1918.

To the SECRETARY OF WAR:

(Attention of Mr. Hare.)

DEAR SIR: Since we submitted our bid dated October 9, 1918, for the construction of 27 additional buildings on the Speedway Park property, the Construction Division has to-day submitted to us block plans for the following buildings and work, and requested us to bid on same, viz:

1 bakery, 30' 0" x 40' 0"; 1 garage, 48' 0" x 48' 0"; 1 waiting room, 16' 0" x 30' 0"; 1 fire house, 31' 0" x 87' 10"; 10 guardhouses; 30 lamp posts, with lighting system; concrete sidewalks; cinder fire trails; inclosed corridors; open corridors; new macadam roadways; and covered platforms (west of commissary, storehouse, bakery, and kitchen).

The 10 guardhouses referred to above are the ticket-booth structures now on the grounds, which are to be put in proper shape and placed wherever the Government directs.

We will construct all said buildings and do all said work for the sum of \$95,439, or, if the Government prefers, we will do the work at actual cost, without percentage or compensation. Under this bid, as well as the bid dated October 9, 1918, should the cost plan be adopted we will allow the Government a discount of 33½ per cent off the present Chicago price current on such of the materials now on the ground as we may use in the construction.

The foregoing sum of \$95,439 includes the cost of installing all fittings and equipment to be furnished by the Government and referred to in Maj. H. J. Burt's communications, dated October 9 and 10, 1918, under headings "E" and "I." and also includes the cost of contractors' liability insurance.

Yours, truly,

GEO. H. SHANK,  
President Shank Co.

OCTOBER 9, 1918.

To the SECRETARY OF WAR:

(Attention of Mr. Hare.)

DEAR SIR: At the close of our conference last Saturday the Construction Division turned over to us certain blue prints for the erection of 27 buildings upon the Speedway Park, in addition to the hospital building and six other structures mentioned in the document prepared by Maj. O'Brien last August.

These 27 additional buildings as shown on said blue prints are: One, D-10, building, officers' quarters; one, D-11, building, officers' quarters; three E-20, buildings, nurses' quarters; one, E-21, building, nurses' quarters; one, E-22, building, nurses' quarters; one, F-21, building, laboratory; one, H-12, building, garage; one, H-13, building, shop building; four, N-9 and 10, buildings, enlisted men's barracks; seven, O-10, buildings, storehouses; one, P-6, building, chapel; one, P-7, building, guardhouse; one, S-1, building, physical therapy; one, U-1, building, curative shops; one, V-1, building, school building; one, U-V, building, school and curative shop.

Since we received the blue prints we have been figuring night and day on the cost of constructing these 27 buildings, and hereby offer to construct same for \$658,036 as per blue prints, with the following exceptions which are not included in our proposal:

Outside animal cages for laboratory building (F-21); covered or open runways or walks between the several buildings; garage (H-12) because of numerous steel garages now on premises; furnishings, equipment or special fixtures; seats in chapel and mess halls; gas outlets.

We agree to turn these 27 buildings over to the Government complete, within the same time we turn over said hospital building.

This will make the entire job including the hospital and six buildings, \$3,158,036.

#### CONSTRUCTION ON COST BASIS.

But, if the Government prefers, we will construct these 27 additional buildings on basis of actual cost. Inasmuch as the work can be carried on by us at

## MILITARY HOSPITALS.

the same time we are putting up the fireproof hospital building, our overhead expenses will be practically nominal and we will make no charge for commissions or other compensation for doing the work. Should this cost plan be adopted we will use such of the materials now on the ground as can be used to advantage and charge for same the present Chicago price current less a special discount of 33½ per cent, and to that extent we can avoid delays in deliveries and transportation.

## PROPOSAL FOR REPURCHASE.

When the hospital buildings are placed upon the Speedway Park, the property naturally will have only a limited use and salability, but our confidence in its value is such that we are ready at any time during the next five years, if the Government should conclude to abandon the hospital (as it probably will its temporary hospital structures) to take the property off its hands exclusive of the furnishings (which would remain the property of the Government) and pay the Government for the same the sum of \$1,258,036. We will deposit \$1,258,036 in Liberty bonds with the Continental & Commercial National Bank of Chicago as a guarantee that we will purchase the property from the Government any time during the said five years and pay for the same, said sum of \$1,258,036.

Should the Government, however, be unwilling, on or before the expiration of said five years, to sell, then said Liberty bonds are to be delivered to us by the bank as our property.

Under this proposition the Government will have the use of the fireproof hospital for five years at a cost of \$152 per hospital bed per annum.

If there be any existing statute in the way of carrying this proposal into effect, we are ready to carry out its spirit an essence under any plan counsel may deem safe and proper.

Yours, very truly,

GEO. H. SHANK,  
President Shank Co.

## EXHIBIT A.

OCTOBER 2, 1918.

## MEMORANDUM FOR MR. G. H. DORR AND MR. HARE, OFFICE OF THE ASSISTANT SECRETARY OF WAR.

Subject: Hospital at Speedway Park, Chicago, Ill.

I have made inquiry of officers connected with the various branches of the Construction Division, who have had dealings in relation to the above project. I find that no one in this office has by anything said or done committed the Government to this project. On the contrary I find that all of the officers who have had to do with this matter since it was referred to this office from the Surgeon General's office about the middle of August, 1918, have been careful at all times to advise those representing the owner or contractor that in advance of final approval by the Secretary of War no one had authority to legally bind the Government.

I find that the member of the firm of architects, Richard E. Schmidt, Garden & Martin, of Chicago, whom Col. Wright informed the contractor would be satisfactory to the Government, namely, Mr. Garden, was told by Col. Wright that not only could no action be taken by this office or by his firm to commit the Government in any way in advance of the execution of the contract, but that in the event the project should not receive final approval there would be some difficulty and delay in securing reimbursement for his firm for their preliminary expenditures.

The conclusion is unavoidable, therefore, that any action taken or any expenditure made by the Shank Co. in connection with this project was done with the full knowledge that that company would have no legal claim against the Government unless the project were finally approved by the Secretary of War and a formal binding contract prepared and executed pursuant to such approval.

In view of the necessity of having this work proceed with the utmost speed in the event of its approval, this office has made as much preliminary investiga-

tion as the circumstances would permit in order that it might be prepared to proceed with the utmost dispatch in case the project were finally approved by the Secretary of War.

The amendment to the proposition submitted under date of October 1, 1918, in a letter addressed to the Secretary of War from G. H. Shank, president of Shank Co., has been examined and in the opinion of this office the option on the part of the Government to sell the property at any time within five years to the contractor for \$1,000,000 is a distinct advantage to the Government. It is believed that if the property is abandoned as a hospital by the Government that it will be difficult to realize \$808,000 as salvage from the improvements on the real estate. The \$192,000 for the real estate will in all probability carry no loss.

EVAN SHELBY,  
*Colonel, Quartermaster Corps.*

#### EXHIBIT B.

OCTOBER 3, 1918.

#### STATEMENT MADE BY LIEUT. COL. C. C. WRIGHT.

The project for the building of a hospital at Speedway Park, Chicago, was first brought to my attention by Mr. Erskine, who was in the office of Col. Gunby, and I was called in by Col. Gunby to listen to the conversation. Mr. Erskine had an original letter addressed to the Secretary of War, dated August 3, 1918, from George H. Shank. To this letter was attached a copy of a memorandum from the Surgeon General's office, dated August 14, 1918, addressed to the Chief of Staff.

Mr. Erskine had at that time a set of first preliminary plans of the proposed lay out. I asked Mr. Erskine who was interested in the proposition—who it was that desired it to be put there. He stated that he could not tell, but that certain persons who were desirous of having a large permanent hospital for wounded soldiers at Chicago had brought the project forward. He left with me the original letter addressed to the Secretary of War, signed by George H. Shank, and copy of the memorandum to the Chief of Staff from the Surgeon General's office.

I stated to Mr. Erskine that the papers which he showed me meant nothing to me and that before the Construction Division could do anything it would have to know what the project was and what it involved. Mr. Erskine stated that he had had the matter investigated by the best expert in Chicago on hospital construction. I asked him who it was. He stated Mr. Wheelock. I told him that if the Government were selecting an architect for a large hospital proposition, it would hardly select Mr. Wheelock.

Col. Gunby then arranged for an interview at my office at 4 o'clock in the afternoon of the same day, at which were present Mr. Shank, Mr. Wheelock, and Mr. Erskine.

We did have an interview at my office at 4 o'clock that afternoon. The conversation was general and hinged about what was necessary in order to provide the hospital mentioned in a general way in the letter of August 3. I stated to them that the proposition as presented by them was not of the type considered favorably by the War Department; that it came to the Construction Division irregularly; and that it would require a careful investigation before the Construction Division could make any recommendations about it.

I told them that I could not consider the proposition in the shape in which they had presented it, and that they must come forward with a proposition which I could analyze before any recommendation would be made by the Construction Division. I told them that they had to get in touch with the Surgeon General's Office and find out what the complete requirements of the Surgeon General were and then present them to me with their plan to fill these requirements.

From that time on Mr. Erskine followed me practically like a shadow, and there were numerous interviews reporting progress and what was being done and general conversation.

At one of the interviews subsequent Mr. Erskine told me that he had talked with Secretary Baker about the proposition and had showed him that the proposition meant for the Government a permanent fireproof hospital of 2,500-bed capacity at \$1,000 per bed, and he further stated to the Secretary that the



Surgeon General's Office had advised him that the temporary hospital construction that had been done was costing \$1,500 per bed. I told Mr. Erskine that he had made an absolutely misleading statement to the Secretary of War. I told him that his proposition did not include many things that the Surgeon General would require, nor did it take into consideration the fact that the cost of constructing temporary hospitals carried many accessory utilities which had to be provided in toto by the Government, whereas under ordinary circumstances these things already existed before the hospital was undertaken to be constructed and existed to a very considerable degree in this case. He thereupon stated to me, "I am going back to the Secretary and clear up that misunderstanding which I have created."

At one of the conferences Mr. Erskine asked me what architects would be satisfactory to the Government in a project of this kind. I told him that the firm of Schmidt, Garden & Martin would be satisfactory to us. He advised me that he would call in Mr. Garden to assist him in preparing preliminary plans to submit the proposition to me more in detail. Thereafter Mr. Garden did come to Washington without any communication from me or from the Construction Division. I understand he was engaged with a number of assistants for several days in preparing preliminary plans at a hotel in Washington and in space provided for them in the Office of the Surgeon General.

On the Saturday following the first interview in Col. Gunby's office Mr. Erskine came to my office and brought Mr. Jacob Newman, an attorney of Chicago, who asked if he could not get in touch with our legal branch, and I told him that I would take him and introduce him to the head of our contract branch. I thereupon took them in and introduced them to Col. Shelby, of our contract branch. Mr. Newman had a preliminary draft of contract with him at that time.

Mr. Newman thereafter was at the contract branch of our office in conference with Col. Shelby or Maj. O'Brien, of that branch, trying to prepare a draft of contract which would set forth the proposition in a way that could be presented to the Secretary of War with the plans and specifications which were being prepared for presentation by the architects.

Specifications and plans were prepared sufficiently in detail to enable me to pass on the worth of the proposition and its fair cost, and a draft of contract was prepared which was satisfactory to the contract branch, and on the 31st of August the contract was signed by Mr. Shank, and the plans and specifications were signed by Mr. Shank to identify his proposition in order that the same might be investigated and presented by our office to the Secretary of War.

Mr. Shank stated he was anxious to leave Washington and desired to have the papers in such shape that if the project were approved by the Secretary of War it would not be necessary for him to come back. A day or two after the 31st of August Mr. Erskine came to my office and asked me if it were safe for them to go ahead with the project. I told him that if he did so it would be entirely at their own risk; that I had no authority, and no one in the Construction Division had authority, to do anything on the subject until it had received the Secretary of War's approval. A day or two after this Mr. Erskine came again to my office and told me that he had decided to go ahead, and that if the project were not finally approved that he and Mr. Shank would split the expense incurred "fifty-fifty."

Because of a certain adverse criticism that had been made by some one in the Surgeon General's Office involving the loyalty of Mr. Richard E. Schmidt, head of the firm of Schmidt, Garden & Martin, Mr. Schmidt came to Washington in connection with that matter.

After his arrival he came to see me. I then told him that if the Government went ahead on this proposition which had been submitted by Mr. Shank and Mr. Erskine, that the Government would retain his firm to represent it in preparing the detail plans and superintend the construction of the building. I told Mr. Schmidt that if the Government did retain his firm for this work that Mr. Garden would have to sever all connection with the Shank Co. I told Mr. Shank that I had no authority and that if he went ahead with these preliminary plans and the project fell through and was not finally approved that he would have to stand the loss like the rest of them. I further told him that if the project were approved his firm would undoubtedly be retained by the Government.

On August 30 or 31 Mr. Erskine came to my office and stated that he understood that Mr. Baker was going away and that he would like, if possible, to see him for just a moment before he left. Mr. Erskine asked me if it would

be possible to have a memorandum for the director of operations prepared before going up there. I said this was out of the question, particularly because the clearance from the War Industries Board had not been obtained. He then asked if I would be willing to go up with him and simply state what analysis of the proposition had been made by the Construction Division.

We then went to the Secretary's office with Capt. Cutler, of the Surgeon General's Office, and Mr. Erskine, after failing to see the Secretary, obtained an interview with Mr. Keppel. Mr. Keppel asked me what we had done, and I replied that the proposition had come to the Construction Division in very primitive shape and that we had been working for at least two weeks attempting to analyze it so that it could be presented to the Secretary in the proper manner. Mr. Keppel stated that the Assistant Secretary could not possibly pass on this proposition until the papers were presented in the usual manner. Mr. Erskine left Capt. Cutler and myself in the corridor, saying that he was going upstairs to see Gen. Jervey.

This preceded the signing of the specifications and the draft of contract by Mr. Shank and the leaving from Washington of Mr. Shank and the architect.

Col. C. C. WRIGHT.

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EXHIBIT C.

SUPPLEMENTAL STATEMENT OF MR. GEORGE H. SHANK.

Examination by Mr. Dorr.

Q. Mr. Shank, I understand that you have received some information as to communications between the Construction Division in Washington and Mr. Smith as to the conduct of the work at the Speedway during the period that it was in progress.—A. Yes, sir.

Q. What was your information as to those communications?—A. My information is general information that they were in daily communication with the Government during the conduct of the work and such stuff as that.

Q. Have you any information of any directions having come from Washington as to the employment of any particular persons on the work?—A. Yes; two superintendents that were supposed to be directly employed by the Government, according to their say so. Mr. Smith didn't tell me about that. It was the inspectors themselves—that they were directly employed.

Q. Just what was that information? I don't know whether I understand it correct.—A. Well, there was a question of change that came up that they ordered done and I demurred. I wanted to know where the authority was. They said that they—the superintendents—had written authority from the Government.

Q. Now, one other thing, Mr. Shank, that you mentioned a few minutes ago. What statements did you make prior to your leaving for Washington as to the number of employees that you expected to put to work on the Speedway?—A. I expected to have 2,000 altogether, if I got plenty of orders to do business.

Q. How do you mean. If you got plenty of orders to do business? If you got materials?—A. Materials; yes.

Q. Did the question of the work depend on your getting priority orders for the materials?—A. Absolutely.

Q. Did you state whether or not it would be practical to do any work without priority orders?—A. I know we were doing work, and the day that Col. Sterritt was up there we talked about the getting of priority orders, as we were getting short of material then.

Q. That was in the end of September, was it not?—A. I don't remember exactly the day.

Q. Before you left Washington was it practical for you to begin work without having received priority orders?—A. They promised to give them to me the next day.

Q. Before you left Washington?—A. The night I signed this contract. I think it was on a Friday night. They were supposed to get me the orders and send them to me the next day.

Q. Priority orders?—A. Absolutely.

Q. Who stated that to you?—A. I don't remember. Col. Wright was the one who was to see that I got the orders. He also was to see that I was to get a superintendent. Was to get one that would not delay me, but would help me.

Q. It was understood at that time that you could not begin work until you got these priority orders, was it not?—A. I immediately started work.

Q. Without priority orders?—A. Yes; there was plenty of work.

Q. You commenced work without priority orders?—A. Yes. Maj. O'Brien was to go to Chicago to get the deed and close up the real estate end of this deal and he was to bring that order along with him.

Q. The priority order?—A. Yes; that was my understanding of it.

Q. Well, did you state how many men you were going to expect to work?—A. I don't think so. I don't remember.

Q. How many men did you expect to work the following week?—A. I don't know. I don't remember.

Q. Well, approximately?—A. I didn't take care of the time or the hiring of the men.

Q. I appreciate that, but you had been sizing the situation up. You had been over the situation from that standpoint?—A. I have not even taken that part of it up.

Q. Are you able to state what work was done in the week beginning September 3?—A. We did a lot of excavating, a lot of that sort of stuff, wrecking of the grandstand, etc.

Q. Just wrecking and grading work?—A. I think we started to pour concrete into the foundations that week. You know how it is starting a job, getting tools, materials, and everything like that together.

Q. You had to have some material?—A. Well, we can get materials in about an hour there. You see, the stone quarry was within three-quarters of a mile and we were buying from there. They also were to take care of the cement, sand, etc.

Q. You stated that you understood it was the plan that you should receive these priority orders without delay.—A. Absolutely. The next day.

Q. You didn't get them?—A. No.

Q. What did you do then?—A. I kept on working until I got desperate and sent that telegram.

Q. Did you talk to Mr. Smith about the priority orders?—A. A thousand times. I also talked to Mr. Gardner about the orders.

Q. What did they say?—A. They said that they would get them for me.

Q. Did Mr. Smith tell you it was impossible to get priority orders until after the approval of the Secretary of War?—A. I don't think so.

Q. Are you positive?—A. Yes.

Q. He states explicitly that he did.—A. When did you get that statement?

Q. He made that statement to me yesterday over the telephone.—A. That he did make that statement to me about these orders?

Q. Yes.—A. Mr. Smith is absolutely mistaken. I never had any such conversation with him.

Q. Not at that time?—A. I never talked to Mr. Smith about it. I talked to Mr. Gardner. The first conversation I had with Mr. Smith on that question was on a Sunday after that telegram was sent.

Q. Sunday after it was sent? You are referring now to the telegram of September 10 to the Construction Division asking for priorities?—A. Absolutely.

Q. Who wrote that telegram?—A. I presume that Mr. F. H. Foster, treasurer of my company.

Q. Did you see it before it was sent?—A. No.

Q. Did you know the wording of it?—A. I did not.

Q. Do you know if Mr. Hines saw it before it was sent?—A. I am positive that he did not.

Q. Do you know if Mr. Newman did?—A. No.

Q. The language of the telegram—was it Mr. Foster's own language?—A. Yes.

Q. Had Mr. Foster been with you in Washington?—A. No. I don't think Mr. Foster has been in Washington for 10 years.

Q. You knew that the telegram had been sent?—A. Yes.

Q. Did you receive a reply to that telegram?—A. I don't know.

Q. Did you hear that a reply had been received?—A. Yes, sir.

Q. The telegram of September 1st?—A. Well, I don't know the date—that is the only telegram that I know anything about our office receiving from the department.

Q. Who in your office did receive the telegram?—A. I suppose the bookkeeper or stenographer.

Q. What was done with it?—A. Probably turned over to Mr. Foster.  
 Q. Did he state the substance of the telegram to you?—A. Yes.  
 Q. What did you do then?—A. I didn't do anything about it. Mr. Wee got the telegram. Mr. Wee is a partner of Ed Hines. I don't know what they did about it.  
 Q. What did they tell you?—A. Nothing.  
 Q. Did you take any steps about it?—A. No.  
 Q. Did you go ahead with the work?—A. Yes.  
 Q. The telegram made no difference in the activity of the work?—A. The telegram made no impression on me at that time.  
 Q. Made no impression on you?—A. No.  
 Q. Didn't alter the situation any?—A. Not at all.  
 Q. Now, Mr. Shank, you kept on doing work?—A. May I ask a question?  
 Q. Yes.—A. What material difference does it make to you whether I kept on or not? Does it affect the amount of damages that I may claim?—A. No. I don't think you have the slightest shadow of a chance in that respect. We are trying to find out your situation.—A. My situation is damn bad.  
 Q. And also the fact that the receipt of the telegram made no difference?—A. I was in such a position at that time that I could not stop that work, if I had wanted, without making a lot of loss. You can't stop a big job like that—  
 Q. You didn't get any priority orders?—A. I know, but I had material. I had a darn big lot of friends out there that would sell me anything that I asked for.

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EXHIBIT D.

WASHINGTON, September 27, 1918.

SIR: Under orders of the Government and in accordance with plans and specifications prepared and furnished to us by the Government architects, Messrs. Schmidt, Garden & Martin, of Chicago, Ill., the Shank Co. has been constructing a hospital building on the property known as Speedway Park, Cook County, Ill. The work was commenced about September 2, 1918, and has been carried on, under the supervision of the Government superintendents on the ground, and has been prosecuted continuously and substantial progress has been made in the erection of the structure.

To-day I received, by telephone, from the vice president of the Shank Co., in Chicago, notice that he had been instructed by the representative of the Government superintending the work on the ground to immediately stop all work. May I ask you to kindly advise me at the New Willard Hotel, room 527, at the earliest possible moment, whether the order to stop work was authoritatively given, and if so, whether I may not be permitted to have a conference with you on the subject at the earliest moment your engagements permit? My people in Chicago are awaiting my orders and this is my excuse for asking a conference if possible early to-morrow.

Respectfully, yours,

GEO. H. SHANK, *President Shank Co.*

HON. BENEDICT C. CROWELL,  
*Acting Secretary of War, Washington, D. C.*

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EXHIBIT "E."

OCTOBER 1, 1918.

Present at the meeting when following statement was compiled: Messrs. Hines, Newman, Shank, and Folsom.

Mr. Shank states that on the evening of the 30th of August he proceeded to Chicago on the instructions of Col. Wright to start the work. On September 3 plans for the excavations were turned over by the architects, Messrs. Schmidt, Garden & Martin, to Mr. Shank.

The architects also sent two superintendents from their office to the Speedway Park. During this same week additional plans were furnished for the foundation work and Mr. Shank proceeded to carry out the instructions of the architects. These plans were followed in due course of other plans and Mr. Shank, as the contractor, following these plans proceeded with the work until the excavations, foundations, and brickwork for approximately one story of the structure had been completed.

In addition to this the grandstand was demolished, part of the automobile race track was torn down, and the plumbing in the outhouses was demolished. This was done in order to utilize the lumber in form work for concrete.

All of this work was going forward during the first two weeks of September, and it was not until Col. Starrett and Col. Wright arrived at the Speedway on Saturday, September 20, that Mr. Shank had any idea that any question had been raised in connection with the work.

About September 18 Mr. Schmidt informed Mr. Shank that he had been in daily communication with Col. Wright's office in Washington in regard to the progress of the work and plans.

OCTOBER 1, 1918.

Present at the meeting when the following statement was compiled: Messrs. Hines, Newman, Shank, and Folsom.

Some time in May or June, 1918, Mr. Newman was informed that Gen. Gorgas, Gen. Noble, and Col. Billings were in Chicago attending a medical convention and that Mr. Trainor and Mr. Erskine drew their attention to the availability of the Speedway Park as a hospital site.

Following this medical convention in Chicago, Messrs. Newman and Shank came to Washington and endeavored to present the hospital project to the Government. Mr. Newman and Mr. Erskine took the matter up with Col. Wright, of the Construction Division, and Col. Kramer, of the Medical Division. The matter was also taken up by Mr. Newman with Col. Hornsby, whom he had known in Chicago. Col. Hornsby stated that it was the policy of the Government at this time not to build any permanent structures, provided they could get adequate space in rented or temporary structures.

Mr. Newman interested Mr. A. D. Erskine in the proposition by bringing the matter to his attention in Chicago and asked Mr. Erskine to help him get a hearing when he came to Washington.

Mr. Newman had, prior to that time, had considerable business relations with Mr. Erskine in the reorganization of what is known as the Interstate Steel & Iron Co., of Chicago, which was consummated in the spring of 1917. Mr. Erskine is a large stockholder in this company and Mr. Newman is its counsel.

Mr. Shank and Mr. Newman came to Washington and met Mr. Erskine, who took Mr. Newman to the construction and medical divisions and introduced him; they met Gen. Noble, Col. Wright, Col. Kramer, and Col. Hornsby, and two or three other officers whose names Mr. Newman can not now remember.

Mr. Newman understood from Gen. Noble and Mr. Erskine that the project of erecting a 2,500-bed permanent fire-proof hospital at the Speedway Park on the basis of \$1,000 a bed appealed to Gen. Noble and the Medical Division, but he also learned at that time that the construction of this proposed hospital did not appeal to the Construction Division.

It seemed impossible to get anywhere, and finally Mr. Erskine stated to Mr. Newman that he thought he would present the matter to Secretary Baker, and later he informed Mr. Newman that he had a conference with Secretary Baker and one or more other gentlemen, and that Secretary Baker called in Dr. Keppel and Gen. Jervy and placed the matter before them and stated that the proposition appealed to him (Secretary Baker) and requested Gen. Jervy to take the matter up, and that if the proposition was as explained to him it seemed to be all right; this is what Mr. Erskine stated to Mr. Newman, the latter having no personal knowledge on the subject.

After the foregoing interview the matter was referred to the Construction and the Medical Departments, and Mr. Newman and Mr. Erskine were advised by Col. Wright to prepare plans and specifications for the hospital and submit the same to his department for examination and consideration, and this was done.

When Mr. Newman came to Washington his recollection is that he found Mr. Shank and an architect named Wheelock, of Chicago, already in Washington, and that they had with them certain plans, designs, and specifications which had been prepared by Mr. Wheelock in Chicago. Mr. Newman was informed that Mr. Wheelock endeavored to present these plans, designs, and specifications to the Construction Department, but he had not been successful in getting any favorable hearing or attention, and thereupon Mr. Newman and Mr. Erskine called upon Col. Wright and learned the fact that Col. Wright had no confidence in Mr. Wheelock's ability and that he had not had sufficient experience as an architect of hospital buildings. Thereupon Mr. Newman and Mr. Erskine stated to Col. Wright that the Government could select any archi-

fect in the United States to draw the plans and specifications, and finally after some discussion Col. Wright designated Messrs. Schmidt, Garden & Martin, of Chicago, well-known hospital architects of that city, as satisfactory to him.

Thereupon Mr. Garden, of Schmidt, Garden & Martin, was called to Washington, and he, in conjunction with Mr. Wheelock, spent about two weeks in the Construction Division working over the old plans and specifications for the proposed hospital. Mr. Newman's information, learned from Mr. Garden, whom he saw almost daily while the work was in progress, was that this work of preparing plans and specifications was done in the Construction Division under the eye of its officers, and they kindly furnished more or less help in the work. On one or two occasions Mr. Newman saw the work going on in the office personally.

A few days before the plans and specifications were completed some one who Mr. Newman does not know sent for Mr. Richard Schmidt, of the firm of Schmidt, Garden & Martin, and he came to Washington and was in consultation with Col. Wright two or three days before the plans and specifications were finished, so that the final work was done by Messrs. Schmidt and Garden, and Mr. Newman on the 29th day of August, 1918, helped Mr. Schmidt copy voluminous specifications, which required work until 3 o'clock in the morning, so that he could present the specifications the next day and secure the approval of Col. Wright.

While these plans were being prepared Mr. Newman saw Col. Shelby, counsel for the Construction Division, who introduced him to Maj. Arthur A. O'Brien, to draw the contract. The work of drafting the contract took place between approximately the 12th of August and the end of August, or probably a little longer time.

Certain drawings and water colors of the plans and designs were finished about the end of August.

On the 30th day of August, 1918, in the afternoon, when the plans and specifications and water colors had been finished, a conference took place in the office of Col. Wright at which were present Richard Schmidt, Hugh Garden, Jacob Newman, A. D. Erskine, George H. Shank, Maj. A. A. O'Brien, and Col. Wright. Mr. Newman states that this conference was held for the purpose of closing up the entire matter. Col. C. C. Wright expressed his satisfaction and approval of the plans and specifications and Maj. O'Brien expressed his approval of the contract which was on Col. Wright's desk, but Mr. Schmidt should complete the working drawings in Chicago.

At the foregoing conference the plans and specifications were approved by George H. Shank on behalf of the Shank Co. and by Col. C. C. Wright on behalf of Gen. Marshall, head of the Construction Division. An examination of the plans and specifications will show these signatures.

George H. Shank was then requested to sign the draft of contract, which he signed, as well as signing the plans and specifications. At this conference the subject of having additional buildings other than those four or five buildings named in the draft of contract was discussed and Col. Wright stated, according to Mr. Newman's recollection, that these additional buildings were necessary.

Col. Wright stated at the close of the conference, when the documents had been signed, that he would make his report to the General Staff, which was a matter of form, as the project had everybody's approval.

Col. Wright then requested Mr. Shank to return immediately to Chicago and commence work on the hospital, because Col. Wright wanted the hospital completed before the winter set in. Col. Wright further stated to Mr. Shank that from that time on the architects, Messrs. Schmidt, Garden & Martin, were to be the architects of the Government, and he wanted Mr. Shank to draft a form of letter stating this fact, and Mr. Newman's recollection is that a letter was drawn by Maj. O'Brien for Mr. Shank and his company to sign.

At this conference Col. Wright also directed the architects to return at once to Chicago to complete the working drawings.

The foregoing is the substance of the statement made by Mr. Jacob Newman.

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#### EXHIBIT F.

##### HISTORY OF THE SPEEDWAY PARK HOSPITAL PROJECT.

*Location and original cost of Speedway Park.*—The ground now known as the Speedway Park consists of about 320 acres of land (less the Illinois Central

Railroad right of way) located 10 miles due west on Twelfth Street from the heart or loop district of Chicago. This land was bought about four years ago by a man named David F. Reid, of Chicago, who had in mind the organization of a corporation for the purpose of promoting athletic sports, including golf, tennis, and automobile races. The land was purchased by Mr. Reid before I had anything to do with the matter in any way whatsoever and was purchased in a number of separate parcels from various owners, some of whom resided in distant States. These parcels were picked up quietly one by one about four years ago and were purchased before there were any improved roads or highways leading to the ground from the city of Chicago, and before the land had any connection with the Belt Line Railway System, of Chicago, or the Illinois Central Railroad by side-track facilities.

Upon investigation I find that the purchases made by Mr. Reid during the years 1914 and 1915 were from the following-named parties and at the following prices, all of which can be verified by the records, viz:

E. A. Cummings and Henry G. Foreman, 23 acres at 1,739 per acre.....	\$39,997. 00
John W. Kall, 11½ acres at \$1,104 per acre.....	12,698. 00
Mary E. Bassett, 11½ acres at \$760 per acre.....	8,740. 00
Herman W. Mueller, 5 acres at \$660 per acre.....	3,300. 00
Louis W. Parker and wife, 5 acres at \$400 per acre.....	2,000. 00
Edw. G. Temple, 66 acres at \$950 per acre.....	62,700. 00
John W. Kalb, 41½ acres at \$950 per acre.....	39,425. 00
Edw. G. Temple, 152 acres at \$712 per acre.....	108,224. 00

The total actual money paid to the original owners about four years ago amounted to..... 277,082. 00

Mr. Reid organized a corporation called the Speedway Park Association, to which the land was conveyed, and my information is that the corporation paid in the way of commissions, interest, carrying charges, and other expenses in addition to the foregoing \$277,082, considerable sums of money, so that the land actually cost the corporation over \$350,000. This would make the cost of the land to the Speedway Park Association over \$1,100 per acre, and this represents actual money. It must not be forgotten that the purchase and acquiring of 320 acres of land is one unbroken body, 10 miles from the heart of the city of Chicago, takes a great deal of time, skill, knowledge, and involves considerable expense over and above the actual money paid to the owners.

After the land was acquired by the Speedway Park Association, my company was employed to build upon the ground, the improvements hereinafter mentioned, and I became interested simply as a contractor, furnishing the work and materials. I was employed after the American Contracting Co. had done about \$70,000 worth of work and had fallen down. My only interest and connection with the matter was that of a contractor furnishing labor and materials for the improvements hereinafter mentioned.

My company, and the concerns who furnished the materials, agreed at the time of taking on the work to take our pay in bonds secured by mortgage upon the entire property, aggregating \$1,300,000, which we now own. The taking of these bonds shows pretty conclusively our confidence in the value of the property because we agreed to take these bonds at the time the contract was made with the Speedway Park Association and not after we had done the work and furnished the materials.

*Railroad facilities and increased value of land.*—The Speedway Park Association, with great difficulty, secured the railroad facilities which now connects the Speedway Park with all the railroads in and about Chicago, so that freight and passengers can be unloaded at any point on the Speedway Park grounds without change of cars, from any point in the United States and without bringing the traffic through the heart of the city, thus avoiding all freight and passenger congestion which is extremely great in the city of Chicago.

Hardly any part of the city of Chicago has increased in population and development during the past four years as has this particular neighborhood. What this increased value may be is of course a matter of expert opinion and judgment, and experts may differ, but that there has been a very considerable increase there can be no question.

*Improvements.*—The improvements put upon the property were substantially as follows, viz:

- (a) A steel constructed grandstand, having a capacity of about 30,000 seats.
- (b) Wooden bleachers having a capacity of between 40,000 and 50,000 seats, and containing about 2,000,000 feet of lumber.
- (c) A complete sewerage system about 22 miles in length, with principal mains 30 inches in diameter, and laterals from 10 inches to 4 inches in diameter.
- (d) A complete water system and fire hydrants. The water system consists of some 3 miles of 6-inch water mains and about 1 mile of 4-inch mains, and a 50,000-gallon tank connecting with the village of Maywood water system, which furnishes excellent drinking water from artesian wells.
- (e) A 2-mile automobile race track, containing about 10,000,000 feet of lumber and heavy timbers in excellent condition.
- (f) A substantial 10-foot, tight board fence, inclosing 263 of the 320 acres.
- (g) A series of well-built graveled roads running through the grounds, practically 4 miles in length.
- (h) About 35 buildings, houses and sheds, and 40 steel fireproof, electric lighted garages, equipped with running water.
- (i) Four or five miles of board walks.
- (j) A large quantity of bathroom and toilet fixtures of modern construction.
- (k) A complete telephone and electric light system.

*Cost of improvements.*—The foregoing is a condensed statement of the improvements on the ground. They were made at various times during the past three years, and cost in actual cash, approximately, \$1,500,000, and could not be reproduced to-day for less than double the amount. All of these improvements are now available in and about the construction of the proposed hospital.

*Causes increasing value of property.*—The Speedway Park property is surrounded by the well-known and high-grade suburban villages of Riverside, Berwyn, Oak Park, Forest Park, River Forest, and Maywood, having a combined population of something over 100,000 people, and the population is constantly growing.

*Government valuation of 320 acres.*—The report to the Government by sundry parties fixing the present value of the entire 320 acres at \$192,000 is neither fair nor reasonable nor accurate, and we believe we are justified in saying that it is the result of either prejudice or lack of accurate knowledge of the subject itself.

If this land is to-day worth only \$192,000, or \$600 per acre, is it not almost inconceivable that experienced and successful business men who have lived in Chicago practically all their lives should pay for this very land, without highways and railroad facilities, in cold cash, four years ago, over \$350,000, or over \$1,100 per acre? No man can discuss the \$600 per acre valuation with moderation; on its face it shows a malignant purpose to poison the minds of the Government officers in the interest of some other plan, and future investigation will establish the truth of this statement.

*How the hospital project was presented to the Government.*—Some time last spring I was in Washington looking after certain warehouses which the Shank Co., of Chicago, was building in Chicago for the Government, and I learned that the Government was in the market to purchase a large tract of land for hospital purposes. I took the matter up with Maj. Magnuson, who was then connected with the hospital division. Maj. Magnuson visited and carefully examined the Speedway Park in Chicago and seemed very favorably impressed with the same as a desirable location for a reconstruction hospital, and submitted a favorable report to his superior, Col. King, of the Medical Division. Col. King, however, stated that no money had been appropriated for this purpose and therefore no sites could be bought at this time.

Some time thereafter Col. Hornsby succeeded Col. King in the medical division, and I called upon Col. Hornsby and placed the situation before him. He asked me to make a proposition the following Thursday with respect to the Speedway Park. I was called back to Chicago, and wrote Col. Hornsby that I would be unable to submit a written proposition that week, but would be back in Washington the following week and would then submit a proposition. I returned to Chicago and received a letter from Col. Hornsby while home, stating that the Government was not interested in the purchase of any land. I have the original letter in my files at Chicago. My recollection is the reason Col. Hornsby gave was that Congress had made no appropriation up to that time with which to buy land for hospital purposes, and if the Government had to pay out any large sum it was not interested in the project.

There was a meeting or convention of doctors and surgeons of the United States in Chicago some time during last spring or early last summer. At that



time I was informed that Col. Billings and Gen. Noble and Surg. Gen. Gorgas, of the Medical Division, were in Chicago attending the convention and were interested in the construction of a reconstruction hospital in Chicago and were looking at a number of locations or sites; that they had visited Speedway Park and were deeply interested in same as a hospital site.

About this time I met Mr. A. D. Erskine, who informed me that he was anxious to see that a modern fireproof hospital was erected by the Government in Chicago; that he had visited Speedway Park in company with Dr. Billings, Gen. Noble, and others; and that they thought it was an excellent location for such a structure. I told Mr. Erskine that I had made up my mind to go back to Washington to renew my proposition to the Government to construct a modern, fireproof hospital on the Speedway Park, and that I would be glad to meet him in Washington. Thereafter I went to Washington with a detailed statement of my old proposition and submitted same to the Government, which will be found among the files of either the medical division or the construction division.

Mr. Erskine interested himself in the proposition and tried to get me a hearing in the Construction Division, but was unable to do so, as they all seemed not to be interested in my project or any permanent fireproof hospital project.

Mr. Erskine then told me that he would see that I got a fair hearing; and, I understand, in order to secure any hearing at all he had to present the matter direct to the Secretary of War, who gave directions to Dr. Kepill and Gen. Jarvie, of the General Staff, and to the construction department to take up and investigate the matter and ascertain whether it was a meritorious proposition. I had brought with me from Chicago Mr. H. B. Wheelock, an architect, and also numerous plans, designs, and specifications for a fireproof hospital located on the Speedway Park, partly finished, which I wanted to submit to the medical and construction departments.

*Character of my proposition.*—My proposition involved the construction of a 2,500-bed hospital on the Speedway Park, with the necessary buildings, together with the land, for \$2,500,000, which would make the cost \$1,000 per bed. My understanding at this time was that the Government's own hospital construction department had designed a series of hospital buildings (not fireproof), and that the cost of same was considerably in excess per bed of what I proposed to do.

*The construction department acts.*—After the Secretary of War had directed the departments to take up my proposition the construction department requested me to complete my plans and designs, and they assured me they would give me all the facilities I needed to complete the work. The construction department was not willing that Mr. Wheelock, the architect, should make the plans and designs, and thereupon I authorized the officers in charge of the Construction Division to select any firm of hospital architects in the United States to do the work under its own supervision and direction. After some discussion, the firm of Schmidt, Garden & Martin was selected by the Construction Division to do the work. This work of completing the plans, designs, and specifications was done in the office of the construction department under the supervision of its officers and with the aid and help of many of its men for a period of about 10 days or two weeks. When the plans and designs were completed, the Construction Division, as well as the Medical Division, expressed their entire approval of the plans and designs.

Col. C. C. Wright, Chief of the Construction Division, frankly stated that when the proposition was first presented to him he thought it was impossible to construct this sort of a hospital, 50 feet wide and 2,000 feet long, and make it a workable hospital, but that I had demonstrated to him that it was not only feasible, but had shown it to be eminently successful, and that the project had his hearty approval and cooperation.

While the work of preparing the plans, designs, and specifications were in progress a draft of an agreement between the Shank Co. and the Government was prepared by Maj. A. A. O'Brien, and this was completed about the same time as the plans, designs, and specifications.

*How we were directed to begin work.*—On August 30 or 31, 1918 (on which day the plans, designs, and specifications, and draft of contract were completed), we all met in the office of Col. Wright, of the Construction Division, for the purpose of closing up the matter. At this meeting there were present Richard Schmidt and Hugh Garden (architects), Maj. A. A. O'Brien, counsel for the Government; Col. C. C. Wright, head of the Construction Division; A. D.

Erskine, Jacob Newman, and myself. At this conference the officers of the Government expressed their entire satisfaction and approval of the plans, designs, and specifications, and the matter was closed up in the following manner, viz: Col. C. C. Wright requested me to sign the draft of contract and also to sign the plans and specifications, which I did, and then he, on behalf of the Government, likewise signed, in the name of Brig. Gen. Marshall, jr., these plans and specifications. Both signatures will be found thereon. Col. C. C. Wright said he had to prepare a report to the General Staff, which was a matter of form, and that as soon as the General Staff had formally approved his report he or Gen. Marshall would sign the written contract on behalf of the Government.

While these signatures were being made Co. Wright insisted that I go immediately to Chicago and begin the construction of the hospital building, that everything was settled and there was nothing more to be done; and that Richard Schmidt and Hugh Garden, the architects, should likewise return that evening (Aug. 30 or 31, 1918) to Chicago with me, and that they should complete the detailed working drawings immediately. Messrs. Schmidt, Garden, and myself were escorted part way to the train that evening (Aug. 30 or 31, 1918) in an automobile by Col. Wright, and he assured us while in the automobile that he would see to it that everything was done to facilitate and help the work, and that he was very anxious to have the building completed before the cold weather set in, and in order to do this it was necessary that the work be commenced at once.

The matter of beginning work before the detailed working plans were completed was the subject of frequent discussion prior to this meeting (Aug. 30 or 31, 1918) in Col. Wright's office, and I direct your attention to a clause in the draft of the contract which I signed dealing specifically with this subject. That clause is on page 2 and reads as follows:

"For lack of time said plans and specifications for the construction of the foregoing buildings and structures are not as full and detailed as they ought to be for working plans and specifications, but notwithstanding this fact the contracting officer has directed the owner to begin immediately the work of construction, and in compliance with such direction the owner agrees to begin work of construction immediately under the terms of this contract without awaiting the final completion of said plans and specifications, and the contracting officer agrees to employ, at his own expense, an architect skilled in hospital construction, to complete said plans and specifications with all reasonable dispatch and to the satisfaction of the contracting officer. The completion of said plans and specifications by said architect shall not (except as herein otherwise provided) involve or include any material changes and alterations in or additions to the plan or design of said buildings and structures, or the kind, quality, character, or cost of the materials which enter into the construction of the same, as such plan, design, and materials appear upon said uncompleted plans and specifications, which have been delivered to the contracting officer and are not in his possession."

From the foregoing paragraph of the contract it will be seen how anxious the Government was that we begin the work at once, even before the working specifications were finally completed.

*Mr. Hare acting for Mr. Crowell.*—In view of of the action of the War Department stopping the work on September 26, 1918, I had some doubt as to whether Mr. Hare, who is Mr. Crowell's assistant, had been informed as to the general situation. I have, however, been reliably informed that the draft of the contract which I signed, and one paragraph of which I quoted above, was submitted to Mr. Hare and gone over by him very critically with Maj. A. A. O'Brien about four weeks ago, and the whole contract was approved by Mr. Hare, so that Mr. Hare knew all about the matter and has known all about the matter for a month or more and must have known that I had begun the work under Col. Wright's orders.

*When I began work.*—I reached Chicago with Messrs. Schmidt and Garden on the evening of August 31 or September 1, 1918. The following day was Sunday and the next day Labor Day, and I began working on the hospital building on Tuesday, September 3, and have been prosecuting the work continuously since that time. I forgot to say that when that part of the work respecting the plans and specifications were completed in Washington and the contract and plans and specifications were signed by myself and Col. Wright, as I have above stated, Col. Wright stated to Messrs. Garden and Schmidt that from that time on they were in the service of the Government as the Government architects on this job and would have sole charge of same.

I began work, as I have stated, on September 8, 1918, and have prosecuted the same continuously under the orders and directions of Schmidt, Garden & Martin, the Government architects. The Government had two men on the ground continuously while I was engaged in this work, and a part of the time the Government had three men superintending and directing the work. In addition to these superintendents, Mr. Richard Schmidt, the Government architect, was out on the ground superintending the work a number of times during the month of September and giving me orders and directions in what way to carry out the plans and specifications which he had prepared for the Government and furnished me with substantially all of the working drawings to guide me in conducting the work.

All of the departments in Washington I understand, and without question the Construction Department, knew that I was engaged in the business of carrying on this work, destroying the steel grand-stand structure, to which I have above referred, laying foundations for this immense building 2,000 feet long, building in the walls, and purchasing vast quantities of materials amounting to several hundred thousand dollars, for all of which I am obligated.

*When I was ordered to stop work.*—The secretary of my company, Mr. Foster, informed me by telephone late in the afternoon of September 26, 1918, that he had received orders from the Government architects that we had better quit work; that a "stop" order had been issued by the Government, which meant that we had been ordered by the Government to stop work on this job. Naturally I was greatly nonplussed, and on September 27, 1918, I wrote and delivered the following letter:

SEPTEMBER 27, 1918.

SIR: Under orders of the Government and in accordance with plans and specifications prepared and furnished to us by the Government architects, Messrs. Schmidt, Garden & Martin, of Chicago, Ill., the Shank Co. has been constructing a hospital building on the property known as Speedway Park, Cook County, Ill. The work was commenced about September 2, 1918, and has been carried on under the supervision of the Government superintendents on the ground and has been prosecuted continuously, and substantial progress has been made in the erection of the structure.

To-day I received by telephone from the vice president of the Shank Co. in Chicago notice that he had been instructed by the representative of the Government superintending the work on the ground to immediately stop all work. May I ask you to kindly advise me at the New Willard Hotel, room 527, at the earliest possible moment whether the order to stop work was authoritatively given; and if so, whether I may not be permitted to have a conference with you on the subject at the earliest moment your engagements will permit? My people in Chicago are awaiting my orders, and this is my excuse for asking a conference if possible early to-morrow.

Respectfully, yours,

GEO. H. SHANK,  
*President Shank Co.*

HON. BENEDICT C. CROWELL,  
*Acting Secretary of War, Washington, D. C.*

This letter was delivered at the office of Assistant Secretary of War on the afternoon of September 27, 1918, by messenger. Mr. Hare received the letter and stated that he would telephone my rooms at the New Willard Hotel as soon as he had read and considered the same. The next day, Saturday, September 28, 1918, on about 5.45 p. m., I received from Hon. Benedict Crowell, the Acting Secretary of War, the following letter:

WAR DEPARTMENT,  
OFFICE OF THE ASSISTANT SECRETARY,  
Washington, D. C., September 28, 1918.

MR. GEORGE H. SHANK,  
*President Shank Co., the New Willard Hotel,*  
*Washington, D. C.*

DEAR MR. SHANK: Acknowledgement is made of the receipt of your communication of September 27, 1918, in which a statement is made that you have been constructing a hospital building on property known as Speedway Park, Cook County, Ill., under orders of the Government. Upon investigation it is found that although the procedure usual in the War Department of investigation of proposed projects has been had on a proposal of your company in con-

nection with such a project, the statutory requirement of the approval by the Secretary of War has not been had and no contract had been executed on behalf of the Government.

BENEDICT CROWELL,  
*The Acting Secretary of War.*

The foregoing letter was delivered by a Mr. Lewis, a messenger from the War Department, at the New Willard Hotel at 5.45 p. m., September 28, 1918. You will observe that in the foregoing letter of Mr. Crowell no reference whatsoever is made and no denial is made that I was authorized and directed to begin work and to prosecute the work vigorously, as I have done under the orders and direction of the construction division. The only contention made in Mr. Crowell's letter is that, technically, no written contract was ever signed by the Secretary of War. Nor is there any denial that the Secretary of War and the construction department fully knew that I was engaged in this work, incurring great liabilities, and that I was doing the work under the orders and direction of the construction department. When Mr. Crowell's letter is analyzed it simply means: "Yes, the construction department ordered you to do the work; you did it in good faith, and you have incurred great liabilities, but, technically, you have no binding contract with the Government. What are you going to do about it?"

*Supposed reason why Government stopped my work.*—I understand that the Government, or some department of the Government claiming to have full power, has rejected the plan to construct a 2,500-bed, modern, fireproof hospital upon the Speedway Park on the ground that such hospital will cost the Government (with numerous additional buildings for barracks, nurses' residences, warehouses, chapels, etc., which the Government now proposes to erect in addition to what I was asked originally to do) the sum of \$1,410 per bed, and this is more money than the Government wishes to expend.

In lieu of this modern, fireproof hospital, complete in all details, the Government now proposes to use the old buildings now located at Fort Sheridan, Ill., which were built nearly, if not more than, a quarter of a century ago, and most of which were used (except a few officers' quarters) for Army barracks. In addition to these old Army shacks, which it certainly will be difficult to cleanse and make habitable for wounded and sick soldiers and which the Government proposes to reconstruct into hospitals to house about 1,700 patients, it proposes to construct at Fort Sheridan a series of temporary wooden structures to house an additional 2,500 patients.

None of these structures, old or new, will be either fireproof, or semi-fireproof, or germ-proof, or dirt-proof, and will be anything but hospitals fit to house and protect our wounded soldier boys. What will the mothers and fathers of these boys say when they see them housed in frame structures, in which they could themselves never dream of placing their boys in case of illness or accident?

There is probably not a village in the country which has not passed beyond the stage of frame hospitals; nor is there a municipality in which a health board exists that would permit a frame structure to be built to house the weak and helpless. What will the country say when it learns that our wounded and helpless soldier boys have been brought back and placed in wooden shacks, subject at all times to a fire calamity? Do you think it will add anything to the peace of mind of a soldier boy who has lost his leg, or his arm, or his eyes in France, to know that he is compelled to sleep in a structure that may take fire at any time and from which he would be utterly unable to save himself?

Should a fire occur in these frame shacks (built upon the false theory that they are cheap) which is always, not only possible, but highly probable on the shores of Lake Michigan with its fierce winter winds, and any of our boys lose their lives. I should hate to be in the shoes of any man in authority who countenanced the construction of such dangerous homes for the maimed, wounded, and sick; he will hear from the country in whatever branch of the Government service he may be engaged.

*Government estimates cost of frame structures.*—I understand the Government estimates that the cost of reconstructing these old Army barracks at Fort Sheridan and putting up new frame structures will be about \$730 per bed; but I seriously question the accuracy of these figures and especially so if they include a water system, sewerage system, roadways, and other necessary facilities. This figure of \$730 per bed may have been reached by a "hop, skip,

and jump " process, and I now prophesy that the total cost will be largely in excess of that amount.

*Fireproof and wooden hospital buildings.*—But no sane man would compare these proposed frame hospital structures at Fort Sheridan with the modern fireproof hospital which I and the Construction Department of the United States Government had started to construct upon the Speedway Park. One is always safe, and can be kept in a clean, healthy, sanitary condition, and that is certainly not true of the wooden structures. The structures are not in the same class and can not in anywise be compared with each other, because the structures at Fort Sheridan can not in any sense with respect either to safety, location, maintenance, or accessibility be compared with the fireproof hospital that is being constructed on Speedway Park for the following reasons, viz:

(a) The Speedway Park Hospital would be a fireproof, modern, up-to-date hospital in every detail, while the structures at Fort Sheridan would be chiefly of wooden and temporary construction—a constant menace to the health and safety of the patients. Nothing can prevent these wooden structures from becoming filled with disease germs, or save them from utter destruction by fire. No living man can tell what disease germs lie buried in the old Army barracks that have been at Fort Sheridan and used by the soldiers for 25 years.

(b) The Speedway Park Hospital will be located on the west side of the city of Chicago, comprising about two-thirds of the entire population of the city, thus being easily accessible to the Chicago parents and relatives of wounded and sick boys. The Fort Sheridan structures will, by reason of their location and distance from the city, be more or less difficult to reach by the people living on the west side. As you know, Fort Sheridan is located on the banks of Lake Michigan, a distance of about 30 miles from the heart of Chicago, and in the wintertime subject to the extreme cold winds and dangerous dampness from the lake, which is not true of the Speedway Park Hospital location.

(c) The Fort Sheridan structures, when the additional frame buildings are erected, will have anywhere from 25 to 35 disconnected buildings scattered over the grounds. Each building will have to be separately heated and protected from Lake Michigan's cold winds. An extensive sewerage and water-works system will have to be built to take care of these numerous independent units and this will involve a very large cost and expense, while at the Speedway Park the sewerage system is already in the ground, ample for all purposes, and this is equally true of the necessary water and water mains.

(d) It has been estimated by those familiar with hospital maintenance that independent units scattered over a large area of ground, like the structure contemplated at Fort Sheridan, will require twice the number of attendants, physicians, nurses, and other help which would be required by the single structure contemplated in the building of the Speedway Park Hospital. This additional cost of maintenance alone, we believe, will take up the greater part of the difference between the cost of the fireproof modern hospital at Speedway Park and the temporary wooden structures at Fort Sheridan. Has this important item of expense been wholly overlooked by the Government?

(e) The Speedway Park Hospital consists of a single building divided into a number of independent units all under one roof; each unit, however, being complete in itself, with its own diet kitchens, elevators, rest rooms, sun rooms, and other hospital facilities, specially designed by expert architects. Every patient will be delivered right to the door of the Speedway Park Hospital without change of car from any point in the United States, and which, of course, can not be done at Fort Sheridan.

(f) The soldier boys in these hospitals will be visited by hundreds and hundreds of their relatives, most of whom are poor and to whom the matter of railroad fare means something in their lives. The cost of reaching their sons and brothers at Fort Sheridan from the city of Chicago will be at least five times what it would be in reaching them at the Speedway Park Hospital from the city. This should not be overlooked by the Government in the location of its hospitals.

(g) The Speedway Park Hospital can be reached by automobiles in about 15 minutes from the greatest hospital center in the United States (where there are innumerable physicians, nurses, and hospital supplies), which is located in the west division of the city of Chicago, and can be reached from the heart of the loop district of the city of Chicago by automobiles in 30 minutes.

(h) The Speedway Park is 10 miles from the heart of the city of Chicago, while Fort Sheridan is approximately 30 miles from the heart of the city, with practically only one railroad and one electric car line. This constitutes

the entire transportation. Speedway Park is fed by several street car lines, by the Metropolitan Elevated Railroad, the Aurora and Elgin electric line, the Illinois Central Railroad, and the Chicago Belt Lines.

(i) We think that with the foregoing transportation facilities Speedway Park may fairly claim that its transportation service is almost ideal. The wounded boys can be transported from the Atlantic or Pacific coast direct to the very door of the Speedway Park Hospital without change of cars and without any interruptions in the journey, and this can not be said of the Fort Sheridan location, or hardly any other available spot of the size of the Speedway Park in or about the city of Chicago.

(j) The delivery of supplies from the center of the city of Chicago to Fort Sheridan will cost at least double what it would cost for the same supplies to be delivered to the Speedway Park, and this is an enormous item when you consider that supplies will be required to take care of at least four to five thousand people, whether the hospital is located at Fort Sheridan or at the Speedway Park.

*Suggestions.*—Every officer in the Medical Department, every officer in the construction department, the entire General Staff, and the War Industries Board have in writing approved the construction of this fireproof hospital, and most of them are enthusiastically in favor of a complete, modern, fireproof hospital instead of wooden shacks.

The only people who are opposed to fireproof construction are Col. Hornsby, of the Medical Department, and Mr. Hare, assistant to Acting Secretary of War Crowell.

Mr. Baker, the Secretary of War, himself, before his departure for Europe, expressed his approval of the Speedway Park proposition and directed that medical and construction departments take up the matter immediately, and, if they approved of the same, to carry them out. These two departments immediately complied with the Secretary's orders and have whole-heartedly approved the project, but Acting Secretary of War Crowell and his assistant, Mr. Hare, have decreed otherwise.

Yours, truly,

GEORGE H. SHANK,  
*President the Shank Co.*

WASHINGTON, September 30, 1918.

(On slip attached to letter:) This alleged statement Secretary Baker should be varied. It does not G with his statement to me.—J. C.

(On side of slip:) War Department, Office of the Inspector General, Washington.

Contract for construction of hospital between R. C. Marshall, jr., brigadier general, United States Army, and the Shank Co., a corporation of Illinois, for construction of hospital near Chicago, Ill.

Date of contract ——. Appropriation and amount ——. Work to be begun by ——. Work to be completed ——. Sureties ——. Penalty of bond, \$1,250,000.

These articles of agreement, entered into this — day of —, 1918, by and between the United States of America, by R. C. Marshall, jr., brigadier general, United States Army (hereinafter called contracting officer), by authority of the Secretary of War, party of the first part, and the Shank Co. (a corporation organized and doing business under the laws of the State of Illinois), of Chicago, Cook County, Ill., represented by George H. Shank, its president (hereinafter called owner) party of the second part, witnesseth:

*Conveyance of lands.*—The owner does hereby agree, in consideration of the payments hereinafter provided to be made by the United States of America, to convey or cause to be conveyed to the United States of America, upon the execution of this agreement by warranty deed, the title in fee simple, free and clear of all liens and incumbrances, in and to the following-described lands, tenements, and hereditaments located in the county of Cook, State of Illinois, bounded on the north by Twelfth Street, on the south by Twenty-second Street, on the east by First Avenue, and on the west by Ninth Avenue, described as follows:

The west  $\frac{1}{4}$  of section 23 in township 39 north of range 12 east of the third principal meridian, except that part thereof conveyed to the Illinois Central Railroad Co. for a right of way by deed recorded in the recorder's office of Cook County, Ill., as document No. 874485, said tract of land consisting of 320 acres, more or less.

The owner shall furnish to the United States of America an owner's guaranty policy issued by the Chicago Title & Trust Co., of Chicago, Ill.; in the sum of \$300,000, guaranteeing the unincumbered fee simple title to said real estate and a complete merchantable abstract of title to said premises.

*Construction of buildings.*—2. The owner does hereby further agree to furnish all the labor, materials, tools, machinery and equipment, and to do all things necessary for the construction and completion upon said site of a four-story fireproof-hospital building, a fireproof-administration building, a laundry building, a power house, a kitchen, a receiving ward, and communicating corridors in accordance with the plans, drawings, and specifications, which are to meet the general requirements of the Surgeon General of the United States Army and are to be completed in the manner next hereinafter set forth. The construction of said buildings shall be subject in every detail to the supervision, direction, and inspection of the contracting officer and shall commence upon the day of the date hereof; and in consideration of the premises the owner does hereby agree to complete and deliver over to the contracting officer all of said buildings and structures in accordance with said plans, drawings, and specifications within 100 days after the date hereof (Sundays and holidays excluded). The contracting officer may from time to time accept and use any portion of the buildings or structures which may in his opinion be completed, but such acceptance and use of portions of said buildings and structures shall not be construed to be a final acceptance of the buildings and structures under this contract: *Provided*, That in the event the taking possession of any portion of the buildings or structures prior to final completion, shall increase the cost of the construction to the owner, the constructing officer will reimburse the owner for such additional cost.

For lack of time, said plans and specifications for the construction of the foregoing buildings and structures are not as full and detailed as they ought to be for working plans and specifications, but notwithstanding this fact, the contracting officer has directed the owner to begin immediately the work of construction, and in compliance with such direction, the owner agrees to begin the work of construction immediately under the terms of this contract without awaiting the final completion of said plans and specifications, and the contracting officer agrees to employ, at his own expense, an architect skilled in hospital construction, to complete said plans and specifications with all reasonable dispatch and to the satisfaction of the contracting officer. The completion of said plans and specifications by said architect, shall not, except as herein otherwise provided, involve or include any material changes and alterations in, or additions to the plan or design of said buildings and structures; or the kind, quality, character or cost of the materials which enter into the construction of the same, as such plan, design, and materials appear upon said uncompleted plans and specifications which have been delivered to the contracting officer and are now in his possession.

All material entering into the construction of said buildings shall be first class and all work required shall be done in a good and workmanlike manner to the satisfaction of the contracting officer.

*Right of owner to remove materials.*—3. It is understood and agreed that in the construction of said buildings the owner shall have the right to use without cost or charge to the Government (except as a part of the contract price), all suitable structures and materials now a part of said premises, but which have been reserved to the grantor in the deed of conveyance conveying said real estate hereinbefore mentioned, except the sewer system, water mains and water systems, metal garages, small hospital building, roadways, and outside fence; but the owner shall have the right to use so much or such parts of said seven excepted items as it may find necessary in the construction of said buildings. In so far as may be possible without interference with, or obstruction of, the use of the hospital plant by the Government, the owner shall remove those portions of said structures and materials so reserved in said deed of conveyance as shall not be used in the construction of said buildings, and shall clear the said premises of all debris and waste materials.

*Additional work.*—4. The contracting officer may from time to time by written instructions or drawings issued to the owner make changes in the said plans, drawings, and specifications, or may require additional work hereunder, and the provisions of this contract shall apply to all such changes, modifications, and additions with the same effect as if they were embodied in the original plans, drawings, and specifications, and the owner shall comply with all such instructions and changes; but if such changes, modifications, and additions

involve extra labor and material then the actual cost of such additional labor or material occasioned by such changes, together with a sum equal to 7 per cent thereof, shall be added to the contract price and shall be paid by the Government to the owner (except as hereafter in this clause is otherwise provided). In such event the time for the completion of this contract shall be extended to cover any delay in the completion of said buildings occasioned by such changes, modifications, or additions to said plans, drawings, and specifications.

It is the intention of the parties to this contract that the owner shall construct and deliver said buildings and structures so that the same when so constructed and delivered shall constitute as a whole a practical working hospital; therefore it is agreed that if any changes and modifications in or additions to said plans, drawings, and specifications shall be fairly and reasonably necessary in order to make said hospital in all its parts a substantially practical working hospital, then the same shall be made upon the written order of the contracting officer, and no allowances shall accrue or be paid to the owner under any provision of this clause on account of additional labor or materials occasioned by such last-described changes in or additions to said plans, drawings, and specifications, other than the amount of the contract price hereinafter named; but all the usual furnishings, supplies, and equipment required in the hospital and other buildings shall be supplied and installed by the Government.

*Title to buildings.*—5. The title to all buildings completed or in the course of construction shall be in the United States.

*Delays, etc.*—6. The owner shall not be held responsible for, or be deemed to be in default hereunder by reason of, delays in the performance of this contract caused by strikes, fires, explosions, riots, transportation delays, acts of God, or other causes beyond the control and without the fault of the owner, including delays caused to the owner by the direct act or failure to act of the contracting officer, and the owner's time for performance of this contract shall be hereby extended to cover the delay in performance so caused to the owner, provided that the owner shall have immediately and fully notified the contracting officer of any such cause of delay and shall have used its best efforts promptly to remove the same and to obviate the effects thereof, and provided further, that such delay shall not have been due to the owner's failure to comply with any of the provisions of this contract. The owner shall proceed with the performance of this contract as soon as, and to the extent that, any such cause of delay shall have been removed. The contracting officer, however, except in the case of delays caused to the owner by the direct act or failure to act of the United States, shall have the right, by giving written notice to the owner, to terminate in whole or in part the performance of the work which has been so delayed, in which event the United States shall make payments to and protect the owner in such an amount as in the opinion of the contracting officer will equitably reimburse the owner. If the owner be dissatisfied with the allowance made under the provisions of this clause it may have recourse to the appeal provided for in clause 19 hereof. The contracting officer shall, if such right to terminate said work in whole or in part be exercised by the contracting officer prior to completion, have the right to use any or all of the machinery, tools, equipment, and materials belonging to the owner at the site to complete such work upon payment for such materials and of a reasonable rental for such machinery, tools, and equipment, and of all damages to such machinery, tools, and equipment while so used by the contracting officer.

*Liquidated damages.*—7. Time shall be considered as of the essence of this contract, and in case of failure on the part of the owner to complete his work within the time specified herein, it is agreed by the owner that the United States will be damaged by the delay, and the amount of such damages, exclusive of expenses for inspection and superintendence, and necessary traveling expenses, being difficult, if not impossible, of definite ascertainment and proof, are hereby agreed upon, liquidated, and fixed in advance in the sum of \$500 for each and every of the first 15 calendar days (Sundays and holidays excepted), which the said owner shall delay in the completion of this work beyond the time fixed in this contract, and in the sum of \$1,000 for each and every calendar day (Sundays and holidays excepted) which the said owner shall delay in the completion of this work on and after the expiration of said 15 calendar days, which the owner hereby agrees to pay to the United States as liquidated damages, and not by way of penalty. In addition to the liquidated damages herein agreed to be paid, it is hereby agreed by said owner that all



expenses for inspection and superintendence, including all necessary traveling expenses connected therewith during said period of delay, shall be paid to the United States. It is further agreed by said owner that such liquidated damages, expenses for inspection, superintendence, and necessary traveling expenses, may be deducted and retained from any payment due, or to become due, to the said owner: *Provided*, That no liquidated damages and no charges for inspection, superintendence, and travelling expenses shall be made where such period of delay shall equal the time lost through any cause for which the contracting officer is responsible either in the beginning or prosecution of the work, to be determined by the contracting officer; but where any delay caused by the said owner is in excess of the time lost through any cause for which the contracting officer is responsible, liquidated damages for such excess time shall be charged against the owner at said respective rates, together with all expenses for inspection, superintendence, and necessary traveling expenses incurred during such excess time.

*Provided further*, That no liquidated damages and no charges for inspection and superintendence shall be made for any delay excusable under the provisions of clause 6 hereof.

*Provided further*, That any extension allowed to the said owner by the contracting officer for the completion of this contract shall not affect the right of the United States to collect liquidated damages and expenses for inspection, superintendence, and necessary traveling expenses for any delay caused by the said owner prior to such extension.

*Completion and operation of heating plant.*—8. The owner shall complete the installation of the heating plant and radiation so that the same will be ready for use at least three weeks before the entire work under this agreement shall be finished; and the Government shall take over said heating plant and said radiation when so completed, and at its own expense furnish all necessary fuel and proper maintenance, and shall operate said heating plant and radiation so as to deliver sufficient heat throughout the whole system in order that the walls may be more thoroughly dried out to receive the decoration called for by the specifications.

*Increased cost of labor and materials.*—9. It is understood that the contract price hereof is based upon well-established union scales of wages for labor as of August 28, 1918, and upon the prices for materials which the owner agrees to advise the contracting officer of through the delivery to his representative upon the ground, within 15 days from the date hereof, of a complete schedule of all materials to be used in the construction of said buildings and structures and the price at which the same are contracted for, together with such other data as the contracting officer may require in connection therewith at the time, and the delivery of such schedules shall be of the essence of the agreement relating to said materials contained in this clause. Should the owner, during the course of the construction of said buildings and structures be required by any increase in such union wage scales or in the market price of such materials, to expend more money for the completion of said buildings and structures than that upon which its present contract price is based, then it shall first notify the contracting officer of such fact and, upon 24 hours' notice to the owner, the contracting officer may from time to time, elect to furnish and furnish such materials to the owner, in quantities provided for in the plans and specifications, in which event there shall be deducted by the contracting officer from the contract price hereof a sum equal to the total value of any such materials so furnished to the owner based upon the prices set forth in said schedule. In the event the contracting officer does not within 24 hours after the receipt of such notice of increased cost of materials elect to furnish, and, within a reasonable time furnish the same, then the owner shall proceed to purchase such necessary materials, and the amount of such increase so required to be paid by the owner shall be reimbursed to the owner by the Government in addition to the contract price herein named. All savings made by the owner through the purchase of materials so required in the construction of said buildings and structures at prices less than those appearing in the schedule, shall be credited upon the contract price hereof, and the contracting officer shall deduct from any sums due the owner an amount equal to all such savings. After approval by the contracting officer of increases in wages to laborers the owner shall be reimbursed in the amount necessarily paid by it on account of increased wages. In case any controversy shall arise hereunder as to the amount of such increase in the cost of labor or of materials, then such amount, if any, shall be determined by the contracting officer. The owner shall not, however, make any de-

parture from the standard rate of wages being paid in that locality without the prior consent of the contracting officer and shall not attempt to secure labor at the expense of other Government work.

*Payments by Government.*—10. In consideration of the foregoing the United States shall and will pay to the owner in seven installments the sum of \$2,500,000, which amount the owner agrees hereby to accept in full payment of the entire purchase price of the above-described real estate and of the cost of construction and completion of the buildings hereinbefore mentioned (except as herein otherwise provided), as follows:

(a) Three hundred thousand dollars of said amount upon the signing of this agreement and the delivery and acceptance by the Government of a warranty deed, abstract, and owner's title guaranty policy conveying and insuring the fee simple title to said above-described real estate. The Government estimated the value of said land at \$192,000, and the improvements thereon at a sum not less than \$108,000, together constituting said sum of \$300,000.

(b) One hundred and fifty thousand dollars of said amount upon completion and acceptance by the contracting officer of the foundations for the main hospital building.

(c) Two hundred thousand dollars of said amount when masonry walls are up to two stories in height and the rough concrete construction for the second floor is completed and accepted by the contracting officer.

(d) Two hundred thousand dollars of said amount when masonry walls are up to two stories in height and the rough concrete construction for the second and third floors including the necessary roughing-in of plumbing, steam heating, and electrical-conduit work are completed in accordance with the plans and specifications and accepted by the contracting officer.

(e) Five hundred and fifty thousand dollars of said amount when the buildings are under roof, including the rough concrete construction of all floors, elevator shafts, pent houses, and the general roughing-in of all plumbing, steam heating, and electrical-conduit work in accordance with the plans and specifications and are accepted by the contracting officer.

(f) Five hundred and fifty thousand dollars of said amount when said buildings are plastered in accordance with the plans and specifications and accepted by the contracting officer.

(g) Five hundred and fifty thousand dollars of said amount upon the full completion and acceptance by the contracting officer of all buildings and structures to be constructed, and the performance of all covenants and agreements on the part of the owner to be performed hereunder.

*Eight-hour law.*—11. Wages of laborers, operatives, and mechanics doing any part of the work contemplated by this contract in the employ of the owner shall be computed upon the basic day rate of eight hours work, with overtime rates to be paid for at not less than time and one-half for all hours in excess of eight hours.

*Convict labor.*—12. That in the performance of this contract the owner shall not directly or indirectly employ any person undergoing sentence of imprisonment at hard labor which may have been imposed by a court of any State, Territory, or a municipality having criminal jurisdiction, nor permit of such employment by any person furnishing labor or materials to such owner in fulfillment of this contract.

*Contract not assignable.*—13. Neither this contract nor any interest therein shall be transferred by the owner to any other party, except to the extent permitted by section 3477, United States Revised Statutes.

*Subcontracts assignable to Government.*—14. The owner shall not enter into any contract or subcontract in contemplation of or in connection with this contract without the prior approval of the contracting officer. Every contract and subcontract made by the owner in contemplation of or in connection with the performances of this contract shall state that it relates to this contract and shall contain a provision that its unperformed portion may be assigned at any time by the owner to the United States or its nominee, at the request of the contracting officer. In the event the contracting officer shall request the assignment to the Government of any such contract or subcontract, and the owner shall fail or refuse to immediately assign the same then and in that event, this clause shall operate as an assignment of all of the unfulfilled interest of the owner in such contract or subcontract, but the Government shall not by such an assignment assume any obligation of the owner under such contract or subcontract other than that portion thereof fairly represented by such unfulfilled portion of the contract or subcontract.

*Covenant against contingent fees.*—15. The owner expressly warrants that it has employed no third person to solicit or obtain this contract in its behalf, or to cause or procure the same to be obtained upon compensation in any way contingent, in whole or in part, upon such procurement; and that it has not paid, or promised or agreed to pay, to any third person, in consideration of such procurement, or in compensation for services in connection therewith, any brokerage, commission, or percentage upon the amount receivable by it hereunder; and that it has not, in estimating the contract price or compensation demanded by it, included any sum by reason of any such brokerage, commission, or percentage; and that all moneys payable to it hereunder are free from obligation to any other person for services rendered, or supposed to have been rendered, in the procurement of this contract. The owner further agrees that any breach of this warranty shall constitute adequate cause for the annulment of this contract by the United States, and that the United States may retain to its own use from any sums due or to become due hereunder an amount equal to any brokerage, commission, or percentage so paid or agreed to be paid.

*Bond.*—16. The owner shall prior to commencing the said work furnish a bond, with sureties satisfactory to the contracting officer, in the sum of \$1,250,000, conditioned upon the full and faithful performance of all the terms, conditions, and provisions of this contract, and upon the prompt payment of all bills for labor, materials, or other service furnished to the owner.

*Members of Congress not to benefit.*—17. No Member of or Delegate to Congress, or Resident Commissioner, is, or shall be, admitted to any share or part of this contract, or to any benefit that may arise herefrom, but, under the provisions of section 116 of the act of Congress approved March 4, 1909 (35 Stats. 1109), this stipulation shall not extend, or be construed to extend, to any contract made with an incorporated company for its general benefit.

*Substitution of materials.*—18. In the performance of this contract the Government agrees to render all assistance possible in the procurement of materials and delivery of the same at the site of the work that it reasonably can; and if the owner is unable to purchase or to procure immediate delivery of any of the materials specified in said plans and specifications and wishes to substitute for such material other material of substantially the same general kind and quality, prompt request shall be made upon the constructing officer representing the contracting officer upon the premises for permission to make such substitution; and in the event the constructing officer shall determine that such substitution can be made without detriment to the interest of the Government under this agreement, such substitution shall be allowed. The determination of such constructing officer shall be made within three days after such request.

*Settlement of disputes.*—19. This contract shall be interpreted as a whole and the intent of the whole instrument, rather than the interpretation of any special clause, shall govern. If any doubts or disputes shall arise as to the meaning or interpretation of anything in this contract, the written decision of the contracting officer shall govern. If, however, the owner shall feel aggrieved by the decision of that officer, it shall have the right to submit the same to the Secretary of War, whose decision shall be final and binding upon both parties hereto.

*Contract binding on successors.*—20. This contract shall bind and inure to the owner and its successors. It is understood and agreed that wherever the words "contracting officer" are used herein, the same shall be construed to include his successor in office, any other person to whom the duties of the contracting officer may be assigned by the Secretary of War, and any duly appointed representative of the contracting officer.

Witness the hands of the parties hereto the day and year first above written, all in triplicate.

UNITED STATES OF AMERICA.  
By \_\_\_\_\_,  
Contracting Officer.  
SHANK CO.,  
By GEORGE H. SHANK,  
President.

I hereby certify that I have satisfied myself of the authority of the person signing the contractor's name to this agreement to bind it in the matter, and I have waived the filing of evidence of such authority, as permitted so to do by the Army Regulations.

I do solemnly swear that the foregoing is an exact copy of a contract made by me personally with the contractor named as owner above; that I made the same fairly without any benefit or advantage to myself or allowing any such benefit or advantage corruptly to the said contractor or any other person; and that the papers accompanying include all those relating to the said contract as required by the statute in such case made and provided.

I certify that the award of the foregoing contract was made to the lowest responsible bidder for the best and most suitable articles or services, on proposals received. That owing to the peculiar nature of said contract and the special authority of the Secretary of War therefor, no other or competing contractors were notified and considered in connection with said contract.

The work contracted for being an emergency requirement no advertisement for bids was published in newspapers by order of the Secretary of War, General Orders, No. 49, dated April 28, 1917.

#### EXHIBIT G.

OCTOBER 4, 1918.

Present: Mr. Jacob Newman, Mr. George H. Shank, Maj. A. A. O'Brien, Mr. G. H. Dorr, and Mr. C. W. Hare.

#### QUESTIONS ASKED BY MR. DORR AND ANSWERED BY MR. NEWMAN.

Q. State just what your conversation with Maj. O'Brien was.—A. I called upon Maj. O'Brien the latter part of last week, either Friday or Saturday, as I was intending to leave for Chicago the following day. I stated to Maj. O'Brien that the Speedway project had been turned down, as I was informed, by the War Department on the ground that they preferred to erect temporary structures at Fort Sheridan, as the cost was about half, according to their figures, of what the Speedway project would cost. I then asked Maj. O'Brien if he knew Mr. Hare, of the War Department, and he replied that he had met him but once, and I forgot whether I asked him on what occasion or whether he stated to me that the occasion on which he met Mr. Hare was that he had been sent for by the War Department to submit the draft of contract which had been drawn. The major informed me that he went to the War Department, had a conference with Mr. Hare, went over the entire subject matter of the contract, and that after critically examining it Mr. Hare was of the opinion that the Government was protected under the provisions of the contract. Now, whether Maj. O'Brien stated to me it was a month ago or a shorter period of time I do not know. I can not now recall. I must have gotten the impression, from the statement in the document referred to, that it was a month ago.

Q. Did you have any part in preparing this statement for Mr. Shank to sign?—A. I prepared it myself for submission to a certain gentleman. It was a confidential communication.

Q. You knew under the circumstances in which this statement was prepared that there was every obligation for absolute accuracy?—A. Absolutely. No question about it.

Q. Were you aware, Mr. Newman, at the time you prepared this document, which you prepared knowing the sense of obligations, that a telegram had been sent on September 10 by Mr. Shank asking for priorities on this work?—A. Never heard of it until it was discussed by Mr. Hare in the presence of Mr. Shank at a conference held in Mr. Hare's office on October 1. First time I ever heard of it. I was a little surprised at the time, because Mr. Shank stated he himself had never seen the telegram, but had been told about it. I think that was what he stated to Mr. Hare.

Q. When was that?—A. That was on Tuesday, October 1.

Q. When you heard of that telegram you also heard of the reply which had been sent by the construction division?—A. Never seen it or heard of it.

Q. The telegrams which had been sent by Mr. Shank and which had been sent by the construction division were discussed on October 1?—A. Yes, sir.

Q. After these telegrams had been drawn to your attention did you make any subsequent statement to supplement this statement?—A. So that you may understand the situation: Mr. Edward Hines was present at that interview. He

had the document now in your possession, and from which you have read in his possession, and in the forenoon of the conference on October 1, as we left the room he turned to Mr. Hare and said, "Mr. Hare, I have a statement which I would like for you to read. Would you care to read it?" Mr. Hare said "Yes," and Mr. Hines, without consulting me or without a word to me, handed Mr. Hare the paper. Mr. Newman stated that the statements made were, of course, a mere inference that Mr. Hare must have known all about the matter for a month or more and must have known that the work had been started under Col. Wright's orders. Maj. O'Brien stated that, "However Mr. Newman reached the impression that I had a conference with Mr. Hare a month previous I am unable to make up my mind. The fact is that I did not see Mr. Hare until a day or two previous to the conversation with Mr. Newman." Mr. Newman stated, "I may be entirely wrong. How I got the impression I do not know." Mr. Hare stated, "It is a fact that until 5.45 p. m. on the afternoon of September 18 I did not have any knowledge of the Speedway proposition and had never heard of it. At that hour Col. Kellogg, representing Gen. Jervey, came to my office with the papers. From that time on I was naturally very much engaged in a study of the entire case from every angle. Maj. O'Brien then stated he had prepared a statement which he wanted to read because Mr. Newman was affected. Maj. O'Brien then read the statement and asked Mr. Newman if there was anything wrong or untrue in it. Mr. Newman replied, "no, sir."

Mr. DORR. It is stated here, Mr. Newman, that all of the officers in the Medical Department, every officer in the Construction Division, the entire General Staff, and the War Industries Board have in writing approved the construction of this fire-proof hospital. Most of these are enthusiastically in favor of a permanent fire-proof modern hospital instead of temporary wooden buildings. The only people opposed to it are Col. Hornsby and Mr. Hare assistant to Assistant Secretary of War Crowell. What was your reason for saying Mr. Hare was opposed to fire-proof construction?

Mr. NEWMAN. That was my information.

Mr. DORR. Where did you get that information?

Mr. NEWMAN. At this stage I would prefer not to name the individual. If it becomes necessary, Mr. Hare, I will do so.

Mr. DORR. How about Col. Hornsby?

Mr. NEWMAN. That I know personally.

Mr. DORR. That he objected to fire-proof construction?

Mr. NEWMAN. Col. Hornsby stated to me that the policy of the department, as he understood it, was to erect purely temporary structures.

Mr. DORR. Where did you get your information that the War Department was in favor of fire-proof construction?

Mr. NEWMAN. From the same person.

Mr. DORR. Whom you do not desire to name at this time?

Mr. NEWMAN. Yes, sir.

Mr. DORR. Where did you get your information that the entire General Staff approved this plan?

Mr. NEWMAN. I will tell you frankly, I do not know what constitutes the General Staff.

Mr. DORR. Rather an unsafe term to use if you do not know what it means.

Mr. NEWMAN. I understand that they include, acting on behalf of the General Staff, Gen. Jervey and Dr. Keppel. What division of the General Staff I do not know. I am inclined to think that is too broad a term.

Mr. DORR. You say Dr. Keppel has approved of this plan?

Mr. NEWMAN. That is my understanding.

Mr. DORR. Where did you get the information from?

Mr. NEWMAN. Same party.

Mr. DORR. You say that the Secretary of War expressed his approval of the Speedway Park proposition and directed that the Medical and Construction Departments take the matter up and if they approved of it to carry it out. Where did you get that information?

Mr. NEWMAN. Same party. Perhaps that is not correctly stated. The information came to me in this form that the Secretary of War had taken the matter up; had called in Dr. Keppel, and I think Gen. Jervey, and had requested that he take the matter up and that if it was as represented it struck him as a favorable proposition.

Mr. DORR. That is the information on which your statement was based?

Mr. NEWMAN. That is the start of it. Shortly after that he left the country. Probably two weeks or more after that.

Mr. DORR. Mr. Newman, before or on the day on which Mr. Shank put his name to the contract, do you recall whether or not you knew that Mr. Erskine had endeavored to see the Secretary of War in regard to this matter? That Mr. Erskine came up with Col. Wright?

Mr. NEWMAN. My information had been that he had seen the Secretary of War some time before that.

Mr. DORR. Do you recollect if on or about the day the draft of contract was put in form and Mr. Shank signed it, Mr. Erskine requested Col. Wright to come with him to see the Secretary of War to see if they could get approval of the plan?

Mr. NEWMAN. If anything of that kind occurred I do not believe I was present, because I do not recollect it.

Mr. DORR. I asked you if Mr. Erskine informed you of it?

Mr. NEWMAN. I do not recollect that he told me.

Mr. DORR. Did Mr. Erskine tell you that he had had a talk with Dr. Keppel and Gen. Jervcy?

Mr. NEWMAN. I think he did.

Mr. DORR. Did he tell you that Gen. Jervcy had told him that when the matter came up in the regular way it would receive attention and that there could be no approval in advance?

Mr. NEWMAN. I do not recall that.

Mr. DORR. Of course, you, as a lawyer, appreciate that the Government could not in any way be bound without the formal approval of the contract?

Mr. NEWMAN. Absolutely.

Mr. DORR. You did not give your clients any different advice from that?

Mr. NEWMAN. None whatever. I knew that the Government had to act by statute.

Mr. DORR. You understood there was nothing any officer could do to bind them?

Mr. NEWMAN. Absolutely nothing. All employees have to act according to statute and nothing else.

Mr. DORR. You do not care to state where you got the other information?

Mr. NEWMAN. I wish to state emphatically that the information came to me through no officer of any kind or nature, either directly or indirectly.

Mr. DORR. Mr. Shank, I have asked Mr. Newman as to the source of the various matters in this statement. Were any of the matters, as far as you were concerned, derived from any public officer?

Mr. SHANK. None that I know of. I know nothing about them.

Mr. NEWMAN. Mr. Hare I have read over the statement prepared here on October 1 and this morning, in order to avoid any wrong impressions, I have dictated the following letter to you and intended to send it over this morning:

#### EXHIBIT H.

OCTOBER 4, 1918.

C. WILLING HARE, Esq.,

*Office of the Acting Secretary of War.*

On Sunday, August 18, Col. Shelby introduced me to Mr. Jacob Newman and directed me to revise a suggested contract form covering the construction of a hospital at Speedway Park, Maywood, Ill., to meet the requirements of War Department contracts. Beginning with that time and ending with Saturday, August 31, I had almost daily conferences with Mr. Newman, sometimes accompanied by Mr. Erskine, relative to the terms of the various provisions of the contract. From information coming to me from some of the officials of my division, probably Lieut. Col. Wright, it became apparent that owing to the incomplete nature of the proposal and the incomplete condition of the plans, I had to reframe the entire contract, instead of merely adding the clauses required in War Department contracts. To accomplish this I had to prepare an instrument clearly defining the relations of the parties, and still having sufficient flexibility to permit the development of the incomplete project in the course of construction.

Very early, probably at my first interview with Mr. Newman, I outlined the necessary steps and conditions precedent to the execution of a valid contract of the War Department, pointing out to him the various statutes, and especially

that statute requiring the approval of the Secretary of War to an expenditure of \$5,000 or more.

Lieut. Col. Wright in his statement has outlined the introduction of the architects, Schmitt & Garden, into this transaction. I recall meeting Mr. Garden at the office of the Surgeon General, where he and Mr. Wheelock were working on plans for this hospital upon the occasion of my visit to see a water-color drawing of it. I met Mr. Schmitt for the first time on Saturday, August 31, at about 5 o'clock, when I went into Lieut. Col. Wright's room with what I thought to be a complete draft of the contract covering this subject. Present at that time were Lieut. Col. Wright, and Messrs. Schmitt, Garden, Newman, Shank, and Erskine. At that time Mr. Shank signed the proposal for specifications for the purpose of identification. The contract was signed by him also, and has since been retained in my office for execution by Gen. Marshall in the event the project receives approval of the Secretary of War. It was my understanding at that time that Mr. Shank was leaving for Chicago that night to prepare an organization to handle the work of constructing this hospital.

At no time did I personally state to anybody representing the Shank Co., or anybody identified with the project, nor was any statement made in my hearing by Lieut. Col. Wright, authorizing the Shank Co. to proceed with the construction of the hospital. On the contrary, it has been my impression that everybody connected with the project among the proponents knew that many preliminary steps were required in obtaining information for the proper presentation of this project to the Secretary of War; and that it was ultimately and solely within the power of the Secretary of War to approve or disapprove the project. I have no doubt that Mr. Shank, Mr. Newman, and Mr. Erskine were all of the opinion that the project eventually would be approved; nevertheless, considerable anxiety was shown from time to time over the delay in gathering data necessary for presentation of the project to the Secretary of War for approval.

I have addressed two communications to Mr. Newman since August 31 relative to slight changes in the form of the contract to express the oral understandings as to its terms. In neither of these communications has there been any acknowledgment of any obligation on the part of the Government in connection with this project.

I was advised by Lieut. Col. Wright while drafting the contract that in the event the project were to go forward the Government would retain the services of Richard E. Schmitt, Garden, and Martin, architects of Chicago. With the knowledge that Mr. Garden had performed services for the Shank Co. in connection with this matter, I deemed it wise to make provision for an acknowledgment on the part of the Shank Co. that its relationship had ceased with Mr. Garden. It is customary with this office, in connection with all of its contracts, to draft a suggested form of resolution and bond, evidencing the authority of the officer signing a contract to bind his principal. In order to make certain that the record would be clear on the severance of Mr. Garden's relationship, I included in the form of suggested resolution an approval of the action of the president of the company, releasing the services of Garden, and agreeing that his firm might be employed by the Government.

It is probably due you to explain the attitude of the contracts branch of this division with relation to the various preliminary steps usually taken in connection with contracts. In the matter of details as to form and execution, a War Department contract is of a peculiarly technical nature. If left to the contractor or to a lawyer unfamiliar with the requirements of the statutes and regulations, invariably documents will be submitted which do not conform with these requirements. A disbursing officer is not warranted in reimbursing a contractor until the contract has been duly and fully completed in its execution. In carrying this plan out negotiations as to the form of the contract concur with those covering its substance. In this manner the form of the contract frequently is fully prepared before the approval of the project. The circumstances surrounding the instant case made necessary the preparation of an instrument materially different to an adopted and approved form of contract used in this division; it became necessary, therefore, that the approval of the Secretary of War to the form of contract be had, as well as to the substance of the project.

ARTHUR A. O'BRIEN,  
*Major, Quartermaster Corps.*

## EXHIBIT I.

THE NEW WILLARD,  
Washington, October 12, 1918.

To the SECRETARY OF WAR:  
(Attention of Mr. Hare.)

DEAR SIR: For the purpose of uniting all the proposals heretofore made into one proposal, the undersigned hereby proposes to convey the title to the west half of section 23, township 39 north, of range 12 east, of the third principal meridian, in Cook County, Ill. (except the Illinois Central Railroad right of way), comprising about 320 acres, and to furnish all labor and materials necessary for the construction and completion of a group of hospital buildings as follows:

**A. Buildings.**—One administration building; one main building sections A to H, inclusive; one kitchen building; one receiving building; one power house, including pump room; also laundry; connecting corridors.

All of the foregoing as per plans and specifications heretofore signed by the Shank Co. on August 30, 1918, and the document prepared by Maj. O'Brien and signed by the Shank Co., August 30, 1918, all in the possession of the Construction Division. Also the following:

One bakery with facilities to provide for 2,500 patients, 30 by 40 feet. In accordance with standard S. G. O drawings.

One 2-story officers' quarters, D-10.

One 2-story officers' quarters, mess, and kitchen, D-11.

Three 2-story nurses' quarters, E-20.

One 2-story nurses' quarters with infirmary, E-21.

One 2-story nurses' quarters with mess and kitchen, E-22.

One 2-story laboratory and mortuary building, F-21.

One garage, H-12.

One shop building, H-13.

Three 2-story Hospital Corps detachment barracks, N-9.

One 2-story Hospital Corps detachment barracks with mess and kitchen, N-10.

One commissary storehouse, O-10.

Six store houses, O-10.

One chapel, P-6.

One guardhouse, P-7.

One 1-story physical therapy building, S-1.

One 2-story shop building, U-1.

One 2-story school building, V-1.

One 2-story combination school and shop building, U-V.

One fire house, 620-365.

One waiting room, 16 by 30 feet with toilet, light, stoves, as shown on block plan at Ninth Avenue entrance.

Ten guardhouses, using existing ticket booths, and put in repairs.

Open-corridor connection to school buildings as shown on block plan.

All as per plans and specifications designed in the office of the Surgeon General and accepted by the Construction Division.

The further details relating to construction will be found in Sheet A, attached to this proposal and is a part of the same.

All the foregoing to be done for the lump sum of \$3,253,475, which includes the cost of contractors' liability insurance.

We will furnish the usual contractors' bond to complete the work.

This proposal is based on our using such of the materials now on the ground as can be used to advantage.

The undersigned will complete all of its original proposal which contemplated the transfer of title to the said land, and the construction of a four-story fire-proof hospital building, fire-proof administration building, laundry building, power house, kitchen, receiving ward, and communicating corridors for \$2,500,000, according to the plans and specifications signed by the undersigned on August 30, 1918, and the terms of a document prepared by Maj. O'Brien and signed by the Shank Co. on August 30, 1918.

## PROPOSAL ON COST BASIS.

If the Government prefers, we will construct the buildings and do the work (in addition to the foregoing hospital building and six structures) shown on



block plans furnished the undersigned by the Construction Division on October 11, 1918, and hereto attached, on the basis of actual cost without compensation, profit, or fees of any sort. This additional work can be done by us at the same time as we are constructing the hospital building and six structures, and therefore our overhead expenses for this additional work will be practically nominal.

In case the Government accepts the foregoing cost plan, we will allow the Government a discount of 33½ per cent off the present Chicago price current on such of the materials now on the ground as we may use.

#### REPURCHASE.

When the hospital buildings are placed upon the Speedway Park the property naturally will have only a limited use and saleability, but our confidence in its value is such that we are willing at any time during the next five years, if the Government should conclude to abandon the hospital (as it probably will its temporary hospital structure), to take the property off its hands, exclusive of the furnishings (which would remain the property of the Government), and pay the Government for the same the sum of \$1,296,211. We will deposit \$1,296,211 in liberty bonds with the Continental and Commercial National Bank of Chicago as a guaranty that we will purchase the property from the Government at any time during the said five years and pay for the same said sum of \$1,296,211.

Should the Government, however, be unwilling, on or before the expiration of said five years, to sell, then said liberty bonds are to be delivered to us by the bank as our property.

Under this proposition the Government will have the use of the fireproof hospital for five years at a cost of \$156.60 per hospital bed per annum.

If there be any existing statute in the way of carrying this proposal into effect we are ready to carry out its spirit and essence under any plan counsel may deem safe and proper.

Yours, very truly,

GEORGE H. SHANK.  
*President, Shank Co.*

#### SHEET A.

A. Both sets of plans referred to in the annexed proposal are subject to further elaboration by architect to be designated by the Construction Division to make these revisions, but it is understood that the completion of said plans and specifications prepared by said architect or Surgeon General's office shall not involve or include any material changes and alterations in or additions to foregoing plans or designs of said buildings and structures.

B. *Heating.*—The contractor (Shank Co.) is to install a complete two-pipe vacuum system of steam heating, consisting of the necessary radiation, pipe, fittings, and all steam specialties, a vacuum valve being located at the return end of each radiator, and a supply valve being located at the supply end of each radiator.

The system essentially shall be on a basis of a high-vacuum distribution from the boiler plant to the various control points in each of the unit buildings; that is to say, each unit is to have its own high-low vacuum control, so that a uniform distribution of vacuum can be maintained throughout the entire group of buildings, all condensation from all radiation being returned to the boilers. The heating system shall be complete, including all vacuum pumps, and all regulating valves and apparatus required. The vacuum system shall be provided for all buildings throughout, except as otherwise herein or in the annexed proposal provided.

The boiler shall be of the high-pressure design, in such units so as to give the maximum flexibility. At least one unit shall be in reserve, under maximum load conditions. Boilers shall be of such design as to meet the approval of the engineering branch, Construction Division of the Army.

For all domestic steam requirements, including laundry and kitchen and such sterilizing apparatus required in the various wards, etc., there shall be installed in the boiler house two 150-horsepower horizontal-return tubular boilers, with forced draft under grate-blower unit. All domestic steam piping shall be kept independent of the heating piping; that is to say, there shall be provided an intermediate-pressure steam main which shall operate apart from the high-pressure steam main for summer-load conditions.

Provide coal storage 28,000 cubic feet. Provide bin for ashes 40 tons capacity. All plans and specifications for the heating system and boiler shall be submitted for approval to the engineering branch, Construction Division of the Army.

C. *Plumbing*.—A complete system of sanitary plumbing, complying with the ordinance of the city of Chicago, shall be installed. All fixtures shall be grade BA, complying with the specifications of the Surgeon General's office. All plans and specifications shall be submitted to the engineering branch for approval. Use existing plumbing material on property subject to Surgeon General's office approval.

The system of plumbing shall provide for all water supply, both hot and cold water, all soil, waste, and vent piping and extensions to the present sewerage system, and shall include the installation of any special apparatus required by the Surgeon General's office, complete with all connections.

D. *Sewer system*.—A complete sewer system on grades satisfactory to the Construction Division with pumping station, if such is required to insure operation under all conditions. Secure the use of the Maywood sewage disposal system for permanent use on terms satisfactory to the Construction Division.

E. *Water*.—Construction Division to furnish equipment, which is to be installed by contractor (Shank Co.).

F. *Electric service*.—Furnish power lines to buildings from available source and provide necessary equipment for furnishing electric service according to plans and specifications of architect mentioned in the annexed proposal, and plans and specifications of the Surgeon General's office, also mentioned in said proposal. In addition to interior installation as called for by plans, furnish exterior lights as shown on block plan.

G. *Roads*.—Necessary bituminous macadam roads or cinder or slag roads, according to Construction Division specifications herewith, as called for by plans, street pavement connections to existing public pavements and sidewalk connections to existing sidewalks. Also necessary roadways for local fire apparatus. Provide shelter over receiving platform of kitchen and receiving building and connection with the commissary stores.

H. *Drainage*.—Provide outfall that will insure adequate drainage for all conditions.

I. *Fire protection*.—Construction Division to furnish equipment which is to be installed by contractor (Shank Co.).

J. *Cleaning up and clearing ground of existing structures*.—Put in repair existing fences inclosing property and providing gates as directed. Clean up the grounds and remove such existing structures and materials as the contractor (Shank Co.) may not have removed.

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EXHIBIT J.

OCTOBER 13, 1918.

J. MILTON TRAINOR,  
1508 Michigan Boulevard Building, Chicago, Ill.:

Field Columbian Museum question will be decided definitely to-morrow, October 14. You will be notified.

HENRY JERVEY,  
Major General, United States Army,  
Assistant Chief of Staff, Director of Operations.

Official:

F. G. KELLOND,  
Colonel, General Staff.

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OCTOBER 14, 1918.

J. MILTON TRAINOR,  
1508 Michigan Boulevard Building, Chicago, Ill.:

The Secretary of War directs that you close contracts on Field Columbian Museum for hospital purposes awarding the contract for buildings for personnel, mess halls, and kitchen, to lowest bidder if practicable.

HENRY JERVEY,  
Major General, United States Army,  
Assistant Chief of Staff, Director of Operations.

Official:

F. G. KELLOND.

## MILITARY HOSPITALS.

WAR DEPARTMENT,  
OFFICE OF THE CHIEF OF STAFF,  
Washington, October 15, 1918.

Memorandum for the Surgeon General:

Subject: Lease of Field Columbian Museum for hospital purposes Chicago, Ill.

The Secretary of War directs that the attached papers be returned to you approving the lease of the Field Columbian Museum for hospital purposes and with directions to award the contract for buildings for personnel, mess hall, and kitchen, to the lowest bidder—G. Myng—provided this contractor is responsible. Mr. Trainor has been informed of this by telegraph this date.

HENRY JERVEY,  
Major General, United States Army,  
Assistant Chief of Staff, Director of Operations.

OCTOBER 15, 1918.

J. MILTON TRAINOR,  
1508 Michigan Boulevard Building, Chicago, Ill.:

Regarding Field Museum, understand further information involving considerable increase in cost is on its way here. Unless lease closed, hold open for further instructions.

JERVEY.

Official:  
F. G. KELLOND,  
Colonel, General Staff.

Original sent to telegraph office by Col. Kellond.

WAR DEPARTMENT,  
OFFICE OF THE CHIEF OF STAFF,  
Washington, October 19, 1918.

Memorandum for GEN. JERVEY.

Subject: Field Museum, Chicago, as hospital.

1. In view of recent development abroad, an excess number of beds should not be sanctioned at this time for any one district. Therefore, the plans for Chicago are subjected to review. The need for the period of a year for this district will be covered by adding to the provision already made at Fort Sheridan and Cooper Monotah either the Field Museum or Maywood. There is no question which would be the better hospital project. Maywood is preferred by the Surgeon General, as well as by the Construction Division of the Quartermaster General's office and the Operations Division of the General Staff.

2. For convalescent soldiers who are chiefly ambulant an exposed position on the lake front is not desirable. The surroundings of the museum are a bare unimproved fill at a level of 25 feet lower than the floor of the building. The cost will be \$430 per bed for the first year and less than \$20 the second. The time required will be six months.

3. Maywood (Speedway Park) can be made ready three or four months earlier than the museum. It will constitute an excellent modern hospital of permanent construction, as compared with a relative makeshift like the museum, wherein quarters for the sick must be adjusted as best they may to architecture of the monumental type.

4. Maywood is offered subject to repurchase at a figure that will bring its cost down to \$400 per bed a year if occupied two years and \$100 if occupied five years. Our wooden hospital structures, figured on a two-year use, run from \$500 to \$900 per bed per year.

5. Disapproval of the museum lease is suggested.

R. L. DICKINSON,  
Lieutenant Colonel, United States Army.

MILWAUKEE, WIS., 23.

Gen. HENRY JERVEY,  
Director of Operations, Washington, D. C.:

Reference Field Museum of Natural History Building, Chicago. Leases closed and signed by trustees and this commission. To be completed as hospital by lessor on or before March 1, 1919. Expected that sections will be

completed for patients within 60 days. Rental at rate of \$62,500 annually. Option to Government to renew by fiscal years to June 13, 1921, and one year after peace, whichever time longest. Cost of construction necessary for hospitalization to be done by lessor and paid to the lessor by War Department, \$1,071,510. Necessary barracks for nurses and enlisted personnel and hospital kitchen to feed all patients, nurses, and enlisted personnel, and grading roads and walks and relocation present switch tracks, garage, and fire station complete, with heating located on park lands adjoining hospital, \$505,000. Contract for barracks and other outside work to be let by Chief Construction Division. Total cost, including rent to June 30, 1919, Field Museum hospital, barracks, and other outside construction, \$1,597,343. Patient bed capacity, 4,000. Cost per bed, \$399. Bed cost per year after first year, \$15.62.

S. NORTINGTON.  
TRAINER SCHMIDT.

(Received Operation Oct. 24, 1918. C. 181.)

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WAR DEPARTMENT,  
OFFICE OF THE INSPECTOR GENERAL,  
Washington, October 31, 1918.

MEMORANDUM FOR MAJ. L. W. STOTESBURY, I. G.

In conversation with the Secretary of War this date he informed me as follows:

First. That upon the occasion of the first visit to his office of Mr. Creel and Mr. Erskine relative to the Speedway Hospital project, he referred these gentlemen to the Third Assistant Secretary of War and that he gave instructions that the project should be fully looked into, but that he said nothing which could rightfully have been interpreted as an expression of opinion as to its merits.

Second. He informed me that this investigation in no sense operates to nullify the action of the Assistant Secretary of War as announced in his memorandum dated October 24, and that such action holds good unless specifically changed. That any work which may be done in connection with this project will be entirely without the authority of the War Department.

J. L. CHAMBERLAIN,  
*Inspector General.*

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STATEMENT MADE BY EDWARD HINES TO THE SECRETARY OF WAR, HON. NEWTON D. BAKER, OCTOBER 29, 1918.

Sometime last summer, Milton J. Trainer and Wallace Clark, copartners in the real estate business in Chicago, called upon my counsel, Jacob Newman, for the purpose of having me arrange to pay or secure the payment to Mr. Trainer of \$100,000, as his compensation or real estate commission, in case the Government took over the Speedway Park Hospital project.

My counsel informed these gentlemen that I would not pay a dollar, and at the same time told them that if they insisted upon payment of any money he would inform the Government of what they were doing, because Mr. Trainer at that time was an officer in the service of the Government and the law expressly forbade him receiving any compensation.

Shortly after this conference Mr. Clark personally called upon Mr. Newman and suggested that, inasmuch as he (Clark) was not an officer of the Government, there was no reason why the money could not be paid to him, and Mr. Newman informed him that no money could, or would be paid to him or to Mr. Trainer, and that the payment of any compensation to either of them in this matter, would be a violation of the Federal statutes.

The foregoing is the substance of what I stated to Mr. Baker, although I went into greater details, giving the circumstances under which the foregoing demands for money were made.

EDWARD HINES.

WAR DEPARTMENT,  
OFFICE OF THE INSPECTOR GENERAL.  
*Washington, November 15, 1918.*

From: Maj. Louis W. Stotesbury, Inspector General's Department.

To: The Inspector General of the Army.

Subject: Hospital project, Speedway Park, Chicago, Ill.

I. That this investigation was made October 30 to November 14, 1918, pursuant to verbal instructions of the Secretary of War, communicated to the Inspector General October 29, 1918.

• II. That the matters in controversy subject to this investigation arose in connection with the proposed erection of a United States general hospital upon a tract of land known as Speedway Park, situated at Broadview, a suburb of the city of Chicago, just beyond the city limits, in Cook County, Ill., comprising approximately 320 acres of land between West Twelfth and West Twenty-second Streets, about 10 miles from the Lake. A typewritten statement, dated September 30, 1918, signed by Mr. George H. Shank, president of the Shank Co., from which the proposal originated, purports to set forth the "history of the Speedway Park hospital project."

It is claimed that the Shank Co., proceeding under what is now claimed to have been verbal authority, had made considerable progress in the actual construction of the hospital when the project was disapproved under circumstances set forth in a communication addressed to the Secretary of War by Mr. George H. Shank, under date of October 26, 1918. The claims thus presented were supplemented at a personal conference of Mr. Edward Hines, principal owner of the Speedway property, and Mr. Albert D. W. Erskine, with the Secretary of War on October 29, 1918, at which the Inspector General was present. From such sources it appears that the substance and purport of the matters complained of are as follows:

That on or about the 1st day of August, 1918, the Shank Co., of which the said George H. Shank is president, entered into negotiations with the Construction Division and prepared plans and specifications under its direction and supervision for the construction of a 2,500-bed fireproof hospital and six additional buildings on the Speedway Park site, to cost the Government, including the 320 acres of land and improvements, \$2,500,000, based upon an arbitrary approximation of \$1,000 per bed.

That the Construction Division prepared the contract for the work, and that on August 30, 1918, by direction of the Construction Division, the contract was formally executed by Mr. Shank on behalf of the Shank Co., and at the same time the plans and specifications were signed and approved by both the Shank Co. and by the Construction Division.

That it was represented and stated to said contractor, the Shank Co., that said contract would be promptly executed by the Construction Division, and that in view of the urgency of the work and the desirability of completing the inclosure of the buildings before cold weather set in, Mr. Shank should proceed at once to Chicago and begin work; that Messrs. Richard Schmidt and Hugh Garden, whose firm of architects had been selected by the Construction Division should likewise return at once to Chicago and complete the detail plans and drawings and supervise the work of construction.

That pursuant to such direction and arrangement, Mr. Shank did proceed to Chicago and immediately started the work provided by such contract, which involved the tearing down of existing structures which had cost to erect some \$200,000 and could not be reproduced at this time for anything like that sum, and in addition thereto had obligated his company to something like \$350,000, at all times under the supervision and direction of the Government's architects and representatives, when on or about September 27, he was notified that he would better stop work.

That on October 1, 1918, the Shank Co. was informed that the Government had taken the position that the contract, not being formally signed, was not a binding obligation upon the Government; that, however, 27 additional buildings were required in connection with the project and the Shank Co. was requested to bid on such additional buildings. These included officers' quarters, nurses' quarters, laboratory, garage, shop building, chapel, guardhouses, and school buildings. The Shank Co. agreed to construct these additional 27 buildings, and turn them over to the Government complete within the same time prescribed for completion of the original proposed contract for the sum of \$658,036 or, if the Government should prefer, to construct them on the basis

of actual cost of labor and material without profit, commission or overhead, and to allow the Government a discount of 33½ per cent under present Chicago price current on all materials on the ground that could be used to advantage in such structures.

Upon request of the Construction Division, these bids were consolidated with the original project under a new bid making a total of \$3,253,475 and as a further consideration to the Government it was proposed by the contractor that at any time within eight years would take back all the land and structures at 40 per cent of the original Government investment or approximately \$1,258,036, and to assure the carrying out of such proposal, would deposit that amount in Liberty bonds with the Continental & Commercial Bank of Chicago as a guaranty in any form that the Government might suggest.

That there were subsequently included in the project several additional buildings on which the Shank Co. was requested to bid and submitted a net sum of \$93,439, or actual cost without percentage or compensation whatsoever, with an allowance of 33½ per cent off present Chicago price current on such of the materials on the ground as might be used in the construction, the proposal to repurchase being modified to include the purchase of these additional structures at any time within eight years at 40 per cent of original cost.

That the entire construction project as finally proposed contemplated some 44 buildings in addition to the main hospital and the administration buildings, at an aggregate cost of \$3,253,475, which the contractor would buy back at any time within eight years at 40 per cent of present cost—so it is contended that the actual cost to the Government would be \$1,957,264, or at the rate of \$783 per bed on the basis of 2,500 beds, or \$480 per bed on the basis of 4,000 beds for which it is claimed the space, according to the standards applied in the temporary construction, is equally adequate.

That the Shank Co. further proposed, if more advisable to the Government, to build all of the structures called for by the final plans for the sum of \$1,957,264 and to rent the same to the Government at a fair rate of interest on the balance of their investment of \$1,300,000, the improvements to revert to the contractor at the end of the term.

None of these proposals was accepted, and it is claimed that by reason thereof the Shank Co. will suffer great loss and damage for which it now seeks reconsideration and redress.

That it was directed that the investigation in connection hereto be made comprehensive of the entire project with a view to determine whether the project as originally contemplated should be carried out or whether the same should be abandoned, and in the latter case whether the contractor would be entitled to equitable relief and, if so, the approximation of the amount to which he might under any circumstances be entitled.

That it is also directed that there be considered in connection with this investigation the use of the Field Museum at Chicago, which is under consideration for use for temporary hospital purposes.

That it was further charged by Mr. Edward Hines who is the owner of twelve-thirteenths of the Speedway property, and is personally interested in carrying out the project that one, Milton J. Trainer, who is at the present time in the Government service in the real estate division, having to do with the location and selection of sites for hospitals, and his present partner, Wallace C. Clark, who have heretofore carried on business in the city of Chicago as real estate agents, solicited and attempted to secure an interest or remuneration from Mr. Hines as a consideration for favoring and furthering the Speedway project. The investigation is directed to take cognizance of such charge and to report the facts as found in respect thereto.

In addition to the documents above referred to there were transmitted with the reference the following inclosures:

Memorandum for the Assistant Secretary of War, prepared by Mr. C. W. Hare, dated October 22, 1918, inclosing various exhibits in connection with his investigation and referred to in his memorandum; copy of memorandum for Gen. Jervey from the Assistant Secretary of War, Mr. Crowell, dated October 24, 1918.

Communications from the Shank Co. containing the supplemental proposals in connection with the project, together with a copy of the proposed contract as executed by the Shank Co.; a letter from Col. John A. Hornsby, dated October 26, 1918; also a memorandum of the interview attended by the Inspector General on October 29, 1918.

III. That the following is a list of witnesses interviewed by the Inspector:

Mr. Albert De Wolf Erskine, Exhibit 1.

Mr. Edward Hines, Exhibit 2.

Mr. Jacob Newman, Exhibit 3.

Mr. George H. Shank, Exhibit 4.

Maj. Arthur A. O'Brien, Exhibit 5.

Mr. F. H. Foster, Exhibit 6.

Mr. Wallace G. Clark, Exhibit 7.

Mr. Walter Mills, Exhibit 8.

Mr. Hugh Garden, Exhibit 9.

Mr. Wallace Heckman, Exhibit 10.

Mr. Walter V. Aikman, Exhibit 11.

Mr. Louis W. Pitcher, Exhibit 12.

Lt. Col. John A. Hornsby, Exhibit 13.

Lt. Col. C. C. Wright, Exhibit 14.

That in addition to the testimony of witnesses there are submitted the following documents, which have been considered in connection with the investigation:

Copy of correspondence between the firm of Schmidt, Garden & Martin, architects of the Construction Division, relative to the Speedway project (Exhibit 14.)

Addendum to history of Speedway Park Hospital project submitted by Mr. Hines, together with memorandum relative to value of the land, including affidavit of David R. Reid, president of the Speedway Park Association at the time of the original purchase of the property, and affidavit of Thomas H. Willis, relative to value of adjoining properties; letter from Grimm, Anderson, Probst & White, addressed to the Inspector General of the Army, under date of November 1, 1918, on the subject of drainage of the Speedway Park, together with a survey showing elevation of Speedway property; also letter from Chicago Guaranty Survey Co. relating to the same matter; blue print showing layout of surface drainage of the Speedway Park; letter from Greeley-Howard-Norlin Co. (Exhibit 15.)

Photostat copy of record of the Construction Division, including correspondence, and showing action taken by various departments relating to project. (Exhibit 16.)

Photograph copy of resolution prepared by Maj. O'Brien covering necessary action to be taken by Shank Co., ratifying and confirming the action of Geo. H. Shank in executing and delivering the contract, and releasing the service of Mr. Garden in order that the firm of Schmidt, Garden & Martin might be retained as architects for the Government in connection with said project, and ratifying and confirming such action; photograph copies of minute books of the Shank Co. showing action taken in accordance therewith. (Exhibit 17.)

Affidavit of Mr. Conrad H. Poppenhusen. (Exhibit 18.)

Sworn statement by Frank H. Foster, secretary and treasurer of the Speedway Park Association, relative to amounts expended and obligations incurred by the Shank Co. in connection with the hospital project. (Exhibit 19.)

Letter from Rev. Father T. V. Shannon, editor of the New World, relative to ultimate disposition of property contemplated by Mr. Hines. (Exhibit 20.)

File of picture postals showing residences, schools, and public buildings in villages immediately surrounding the Speedway tract, including Maywood, Oak Park, La Grange, Riverside, and Berwin. (Exhibit 21.)

Memorandum of interview with Mr. George Reynolds. (Exhibit 22.)

Estimate by construction division of cost of hospital project included in final proposal, Shank Co. (Exhibit 23.)

That a personal inspection of the Speedway Park property and the Field Museum was made November 6, 7, and 8, 1918.

IV. Statement of facts deduced from the evidence and testimony obtained by the Inspector:

1. During the year 1914 a Mr. David F. Reid, of Chicago, conceived the idea of building near the city of Chicago an automobile race track, golf course, and general recreation park. There were numerous subscribers to the project and there was acquired for the purpose, from a dozen or more separate owners, a tract of land in the village of Broadview, Cook County, State of Illinois, comprising a tract of approximately 320 acres, paying for the bare land at that time, without any improvements, something over the sum of \$275,000, or an average cost of approximately \$876 per acre. That Mr. Edward Hines, a resident of Chicago and a man of very large means, is engaged in the business of

manufacturing, wholesaling and retailing lumber in various parts of the United States, and was approached by the officers of the Speedway Park Association to sell them the lumber for the construction of the track, grand stand, and other structures upon the premises. That the company at that time had disposed of something over \$300,000 of stock and the management of the company was very sanguine of the success of the enterprise and anticipated no difficulty in financing the proposition. That they were without ready cash to pay for the lumber and desired more of a credit than Mr. Hines felt justified in extending. About that time Mr. Hines left for California and certain officers of his company, acting during his absence, extended them credit for the entire amount of lumber which was necessary to complete the track, as a race had been advertised for a certain date, which it was expected would largely augment the financing, and Mr. Hines's company having given credit for the lumber, in order that the project could be completed and the race take place as advertised, undertook moral obligation on several hundred thousand dollars worth of plumbing, sewerage, and other accessories, and the expectations of the Speedway Association in respect to its finances not being fully realized, Mr. Hines's company was obliged to accept the bonds of the company in satisfaction of its claims; and some time later when the floating indebtedness of the Speedway Association amounted to an additional \$180,000, which it was unable to pay, and a receivership proceeding being threatened, Mr. Hines was persuaded to clear up the obligations and relieve the stockholders. In the meantime, in order to relieve his own company from the embarrassment of such an investment, he had taken up the bonds so that there became vested in Mr. Hines, personally, twelve-thirteenths of the ownership of the Speedway property, and the Shank Co., of which Mr. George H. Shank is president, which had also accepted certain of the bonds and stock in consideration of its claim, became the owner of the remaining one-thirteenth interest in said property. That the original cost of the improvements upon the premises approximated \$1,310,000, and the interest and carrying charges, together with the original cost of the land, brought the total up to approximately \$1,700,000, which represented the valuation of the land and the improvements, at or about the time Mr. Hines and the Shank Co. acquired the same. That since the original acquisition of the property for the Speedway Park Association the asphalt roads have been extended from the city to the park, railroad facilities have been acquired, and the locality is greatly developed, so that there has been a very material increase in the value of the land. The village of Broadview, in which the Speedway Park is located, is surrounded by residential suburbs, including Riverside, Berwin, Oak Park, Forest Park, River Forest, and Maywood. The improvements erected and installed on the premises comprised—

- (a) A steel-constructed grandstand having a capacity of about 30,000 seats.
- (b) Wooden bleachers having a capacity of between 40,000 and 50,000 seats and containing about 2,000,000 feet of lumber.
- (c) A complete sewerage system about 22 miles in length, with principal mains 30 inches in diameter, and laterals from 10 inches to 4 inches in diameter.
- (d) A complete water system and fire hydrants. The water system consists of some three miles of 6-inch water mains and about one mile of 4-inch mains, and a 50,000-gallon tank connecting with the village of Maywood water system, which furnishes excellent drinking water from artesian wells.
- (e) A 2-mile automobile race track containing about 10,000,000 feet of lumber and heavy timbers in excellent condition.
- (f) A substantial 10-foot, tight board fence inclosing 263 of the 320 acres.
- (g) A series of well-built graveled roads running through the grounds, practically 4 miles in length.
- (h) About 35 buildings, houses, and sheds, and 40 steel, fireproof, electric-lighted garages equipped with running water.
- (i) Four or five miles of board walks.
- (j) A large quantity of bathroom and toilet fixtures of modern construction.
- (k) A complete telephone and electric-light system."

An estimate of the value placed upon the property by the owners is indicated by their offer to sell the property, including the fences and underground improvements, for \$1,250,000, which offer involved a \$50,000 commission, which would have made the net return \$1,200,000, in addition to which the owners were to have such salvage as might result from property above ground, including lumber in the track, steel in grand stand, etc.; nothing came of this project. Some time later Mr. Shank was in Washington in connection with a warehouse



which he was building for the Government in Chicago, and the suggestion was made to him that the site would make an excellent one for a reconstruction hospital. It was thought that the steel grand stand, which was 2,000 feet long and 50 feet wide, might be readily converted into a hospital structure. Plans had been prepared by Mr. Shank along those lines. Mr. Shank was unable to secure a consideration of the matter in Washington, but while in Washington met Mr. Albert D. Erskine, and discussed with Mr. Erskine the subject of reconstruction hospitals and the availability of the Speedway property for such purpose and showed him the prospective plans that he had prepared for the conversion of the steel grandstand into a hospital structure.

2. That Mr. Albert D. Erskine, who was a resident of the city of Chicago, has been for some time in Washington as the representative of the Interstate Iron and Steel Co. Through talks with Col. Frank Billings of the Surgeon General's Department, and other officers, Mr. Erskine became very much interested in the subject of reconstruction work and made a considerable study and investigation of that subject. That Mr. Erskine learned through Dr. Billings of a proposition that had been made to erect a permanent fireproof hospital on the Cub Base Ball Park, in Chicago, for which certain gentlemen, including Mr. Armour and Mr. Patten, of Chicago and the State of Illinois, had proposed to contribute the necessary funds which it would cost in excess of the amount the Government was then expending on temporary nonfireproof hospitals of like capacity with the stipulation that with the termination of its temporary use by the Government it should be turned over to the University of Chicago or the Northwestern University as a permanent State institution. That the proposed location was found unsuitable, and on that account and for other reasons the project had been abandoned. Sometime in June there was an Army medical convention held at Chicago and Mr. Erskine, who was in Chicago at the time, went down to the Speedway property with Col. Billings, Gen. Noble, and some other officers, the subject of temporary hospital locations being then under consideration. Mr. Erskine was very much impressed with the location of the property and its adaptability for hospital purposes and believed the large amount of material on the premises would go far toward supplying material for the hospital construction. Mr. Erskine learned through Mr. Jacob Newman, to whom he spoke in regard to the matter, that Mr. Edward Hines was the principal owner of the Speedway tract. It was about this time that Mr. Hines' eldest son, a lieutenant in the Army, had died in France from wounds received in the service, after three months in a French Hospital, and it occurred to Mr. Erskine that Mr. Hines, being a man of large means, would be the logical person to provide the difference between the cost of a temporary hospital and a permanent fireproof hospital which might be constructed on the Speedway Park. Mr. Erskine arranged through Mr. Newman to meet Mr. Hines, with the idea of interesting him in such a project, and asked Mr. Hines if he would consider subscribing in a liberal way to such an undertaking in honor of his son's memory. Mr. Hines was interested in the proposition and told Mr. Erskine that he would think the matter over, and would talk to Mrs. Hines about it. It had been suggested to Mr. Hines that the hospital might bear in some form the name of his son Edward. Mr. Erskine subsequently told Mr. Hines that he had learned since his first talk with him, that it would be impossible, under Government regulations, to name the hospital after any individual. Mr. Hines was disappointed in this as he had hoped that the hospital might be named as a memorial to his son. Mr. Erskine, nevertheless, urged the project, emphasizing the great consideration of giving the soldiers a complete, modern, fireproof structure in place of the light, frame, nonfireproof buildings which were contemplated. Mr. Erskine told Mr. Hines that he had been advised that the temporary structures the Government was building in other localities cost on an average approximately \$1,234 a bed, without the ground and that he thought it would be a fair proposition for the Government to pay \$1,000 per bed toward a modern, fireproof hospital and the excess of the value of the Speedway property over such sum would represent Mr. Hines's contribution to the project. The cost of constructing a 2,500-bed hospital was taken up with Mr. Shank. Mr. Shank estimated that the hospital would cost on the Speedway site, utilizing such material as might be there available, the sum of \$2,250,000. Mr. Hines conferred with Mr. Shank, advising him that he felt that here was an opportunity to do a real service; that while he would have liked to have the hospital named after his son, the more he considered the sub-

ject the more he felt like carrying out the project, although from Mr. Shank's figures, it would involve a very substantial sacrifice.

Mr. Shank finally stated to Mr. Hines that he was equally interested in such an undertaking and, considering the way Mr. Hines felt about it, he would do his part of the work for nothing and would stand his proportion of any loss on the property. It was computed that if the building cost \$2,250,000 and they received from the Government, for the land and improvements including the building, \$2,500,000, that that would leave a difference of \$250,000, and there might be another \$150,000 salvage for material not used in the construction, so that there would be realized on the transaction something like \$400,000, if the estimates were correct, to cover their investment in the property, which approximated \$1,250,000, but which represented an actual cost, inclusive of land and improvements, of more nearly \$1,750,000. It was thereupon agreed with Mr. Shank that he should prepare and submit to the Government in his own name a formal proposition for the erection of such a hospital upon the Speedway property and that Mr. Hines would stand back of the project and that both Mr. Hines and Mr. Shank would share the contribution in proportion to their respective interests in the property, and Mr. Erskine was so informed. From his interest and activity in furthering the project Mr. Erskine was considered at that time by both Mr. Hines and Mr. Shank, to be in some way connected with the Government service. Mr. Shank, on August 3, prepared a letter to the Secretary of War, containing the original offer to construct the hospital, which was as follows:

"I hereby offer to build for the Government on the 320 acres of land known as the Speedway Park, Chicago, Ill., a modern, fireproof hospital, containing sufficient space for 2,500 beds, and each bed to have 1,000 feet of air space and not less than 90 square feet of floor space, and I hereby bind myself to deliver said hospital, fully completed and ready for occupation, within 90 days from the time the contract is signed, together with a deed conveying good title to the 320 acres of land, free from all liens and incumbrances, for \$2,500,000.

"I will furnish the Government with a \$1,000,000 first-class surety bond, conditioned that I do the foregoing work and deliver the hospital completed within 90 days as per contract, and will give as much larger bond as the Government may want, if the Government will pay the additional premium cost."

Mr. Erskine was advised upon his return to Washington that the policy had been established of building only temporary hospitals or converting existing buildings. This was confirmed by Gen. Noble and others, and Mr. Erskine felt that the only way in which he could get a hearing for this fireproof, new construction building would be to take it up with the Secretary of War direct. An appointment was given Mr. Erskine by the Secretary of War and Mr. Erskine was taken to the Secretary's office and introduced to him by Mr. George Creel. The Secretary of War heard Mr. Erskine's story and, according to Mr. Erskine, evidenced great interest in the idea, to such an extent that an interview which had been granted for 15 minutes lasted an hour and 15 minutes. The Secretary of War called in Assistant Secretary of War, Dr. Kepple, and explained the project to him and requested Dr. Kepple to take Mr. Erskine to Gen. Jervey and to assist Mr. Erskine in every way that was necessary to have the matter considered by the Surgeon General's Department.

On the following morning Dr. Kepple introduced Mr. Erskine to Gen. Jervey and explained the project to him. Gen. Jervey then called in Dr. Dickinson and directed Dr. Dickinson to help him in getting such assistance as would make possible the rapid production of the necessary plans and specifications in order that the same should have proper consideration. Dr. Dickinson then took Mr. Erskine to Gen. Noble, of the Surgeon General's Department, and told Gen. Noble what Dr. Kepple and Gen. Jervey had to say about Secretary Baker's attitude on the matter and asked Gen. Noble to give Mr. Erskine whatever assistance he could. Gen. Noble asked what was required, and Mr. Erskine suggested that he would like to have space allotted where the necessary engineers and draftsmen could be assembled to produce the plans under the supervision of the various heads of department, who would finally have to pass on the same, and also such officers at the Construction Department as would finally pass on the matter. Gen. Noble furnished space for drafting boards, and the necessary working force was assembled. The original proposal

of August 3, signed by Mr. Shank in the office of the Construction Division, has attached to it the following memorandum for the Chief of Staff:

The offer of Mr. George H. Shank to construct a modern fireproof hospital of 2,500 beds on the Speedway Park, in Chicago, at the rate of \$1,000 per bed, has been studied in this office.

The plan proposed is satisfactory and its acceptance is recommended.

For the Surgeon General.

ROBERT E. NOBLE,

*Brigadier General, Medical Corps, National Army.*

When the matter was taken up with the Construction Division objection was made to Mr. Wheelock, the architect who had been employed upon the preliminary plans, as hardly of the caliber desired for such a project. The names of three firms, all of Chicago, were suggested, and the firm of Schmidt, Garden & Martin were preferred, as they were recognized as great hospital experts, with the result that the firm was retained by Mr. Shank, and Mr. Garden, of that firm, immediately came on to Washington, and with Mr. Wheelock decided on the number of draftsmen and other men necessary. The men were wired for, and in a few days a complete and competent working force were at work from early morning until nearly midnight producing plans for the hospital under the constant supervision of both the Surgeon General's Department and the Construction Division. The original idea suggested by Mr. Shank of converting the steel grandstand into a hospital was discarded and complete new plans and specifications were prepared by the firm of Schmidt, Garden & Martin, comprising a 4-story, fireproof hospital building, a fireproof administration building, a laundry building, a power house, a kitchen, a receiving ward, and communicating corridors. The cost of the buildings covered by these plans and the improvements accessory to the land which was to be conveyed, without including any valuation of the land itself, was estimated by Schmidt, Garden & Martin, the architects, at \$2,511,840. They also advised the Construction Division that they had good authority for their valuation of the land \$1,500 per acre.

Other sources had placed the value of the land, without considering the drainage, water supply, or other improvements, at \$600 an acre, or, taking into consideration the value of such improvements, \$1,100 an acre. But Schmidt, Garden & Martin advised the Construction Division that any difference of opinion in respect to the value of the land was not material, since it would be impossible to produce the improvements embraced in the contract for less than \$2,500,000, which was the stipulated amount that the Government would pay. That upon the completion of the plans in sufficient detail to permit the Construction Division to analyze the project, they were carefully revised to incorporate every approved suggestion of the experts of the Medical Department and of the Construction Division, and were in final shape except as to detail working drawings on the morning of August 31, 1918. In the meantime the contract had been prepared by the contract section of the Construction Division and the contract was signed by Mr. Shank on behalf of the Shank Co., and the plans and specifications were signed in like manner by Mr. Shank, and were later signed by Col. Wright on behalf of the Construction Division. That the contract as drafted contained the following provision:

"For lack of time, said plans and specifications for the construction of the foregoing buildings and structures are not as full and detailed as they ought to be for working plans and specifications, but, notwithstanding this fact, the contracting officer has directed the owner to begin immediately the work of construction, and, in compliance with such direction, the owner agrees to begin the work of construction immediately under the terms of this contract without awaiting the final completion of said plans and specifications; and the contracting officer agrees to employ, at his own expense, an architect skilled in hospital construction, to complete said plans and specifications with all reasonable dispatch and to the satisfaction of the contracting officer. The completion of said plans and specifications by said architect shall not (except as herein otherwise provided) involve or include any material changes and alterations in or additions to the plan or design of said buildings and structures, or the kind, quality, character, or cost of the materials which enter into the construction of the same, as such plan, design, and materials appear upon said uncompleted plans and specifications which have been delivered to the contracting officer and are now in his possession."

3. All the parties present at the time the contract was signed by Mr. Shank were satisfied with the merits of the project and there was no doubt that the

same would receive the necessary approval. The necessity of getting to work immediately on the project was discussed and Mr. Shank was advised to return at once to Chicago and to get busy on his preliminaries. Mr. Shank was not directed to begin work on the contract, but he was encouraged to begin work immediately, and returned to Chicago with the assurance and belief that the necessary steps to make the contract effective would be immediately carried out.

4. The Construction Division estimated the new work covered by the Shank Co. proposal, in addition to the utilization of the material already upon the premises, to be the sum of \$2,265,000, and, placing the land valuation at \$362,000, made the total \$2,627,000; whereas the contract provided to pay the Shank Co. for the same items \$2,500,000, which showed that even on those figures the project would cost the Shank Co. \$127,000 more than they were to receive from the Government, without any allowance for their own material, which was to be utilized in connection with the construction work. The Construction Division estimated the cost of additional structures, machinery, equipment, heating, and electrical work at the sum of \$790,000, and for contingencies an additional item of \$120,000, and submitted the proposition as one completed project at a total cost of \$3,410,300. That the Shank Co. had not, however, been asked to estimate upon these additional structures and equipment, and the same was not included in their contract. The project, however, as finally submitted for approval, represented a total authorized expenditure of the amounts stated, of which, however, the contract of Shank & Co. was but an integral part, which in no contingency could have exceeded the sum of \$2,500,000. That the project in this form received the approval of the Surgeon General's office as well as of the Construction Division, and under date of September 18, 1918, approval was recommended by Brig. Gen. Jervay, Assistant Chief of Staff and Director of Operations.

5. That in the meantime Mr. Shank had returned to Chicago and commenced the work covered by their contract, under the constant supervision and direction of Messrs. Schmidt, Garden & Martin, acting in this connection as the representatives of the Government. That on September 19 the Shank Co. wired Col. Wright of the Construction Division:

"We are proceeding with work on hospital as ordered; much delayed by lack of material; must have priority order at once; wire."

That on September 11 Col. Gunby, Acting Chief of the Construction Division, replied:

"Reference telegram September 10, this office has ordered no construction work in connection with hospital at Chicago. This matter has been taken up verbally to-day with Mr. Erskine, who will wire in reference to same."

Upon receipt of this telegram the Shank Co. took no action but continued the work on the building.

6. That the project as at first submitted was disapproved by Mr. Crowell, the Acting Secretary of War; that on September 26 Mr. Foster, the secretary and treasurer of the Shank Co., was informed by the architects, Schmidt, Garden & Martin, to immediately stop all work. The Shank Co. thereupon, under date of September 27, 1918, wrote to the Acting Secretary of War, inquiring whether the order to stop work was authoritatively given and asking for a conference. Under date of September 28 the Acting Secretary of War acknowledged the receipt of the letter, stating:

"Upon investigation it is found that although the proceedings usual in the War Department of investigation of proposed projects has been had on a proposal of your company in connection with such a project, the statutory requirement of the approval by the Secretary of War has not been had and no contract has been executed on behalf of the Government."

A conference was arranged with Mr. T. Willing Hare to take place on October 1, 1918. As the result of conferences on October 1, 2, 3, 1918, Mr. Shank was asked to prepare and submit an additional bid embodying the other buildings which had been referred to in the original report made by the Construction Division, which he did, and under date of October 9 offered to build the additional 27 buildings as covered by the plans in the Surgeon General's Office for a flat amount of \$658,036, which would make the entire project, including the hospital and the 27 additional buildings, cost \$3,158,036; or as an option to the Government, offered to construct the additional buildings on the basis of actual cost, with no charge for overhead, commissions, or other compensations for doing the work, and further proposing that at any time within five years to repurchase the entire property and all the improvements at approximately 40

per cent of the Government's outlay, amounting to the sum of \$1,258,036, and to deposit the like amount in liberty bonds with the Continental and Commercial banks of Chicago as a guaranty of this provision. The Shank Co. were subsequently asked to bid on certain additional buildings, including a bakery, garage, waiting room, fire house, guardhouse, and lamp-posts with lighting system, corridors, etc., and agreed to do this work for the flat sum of \$95,439, or at the option of the Government, the actual cost without percentage or other compensation, with the same provision about repurchase at the end of five years. That at the request of the Construction Division the original project of the two original bids were consolidated into one bid and the final bid was delivered to Col. Wright in the Construction Division on October 12, 1918. The aggregate amount of the total bid being the sum of \$3,253,475. Coupled with the proposition at the option of the Government to construct the buildings not included in the original contract at absolute cost without additional compensation or commission of any sort and to repurchase the property at any time within five years at 40 per cent of the original outlay to the Government, the provision for repurchase within five years was subsequently extended, at the request of the Construction Division, to eight years.

7. That on October 24 the proposal was disapproved by the Assistant Secretary of War, Mr. Crowell, and at the same time a proposal to utilize the Field Museum in Chicago as a temporary hospital was approved. That the work on the Speedway has been continued notwithstanding such disapproval, though the operation is not being conducted at full capacity on account of inability to obtain materials in sufficient quantities without priority releases.

8. The average elevation of the Speedway tract above Chicago datum is about 45 feet and it is 19 feet above the low-water mark of the Desplaines River; transportation is ample. The Field Museum is located just south of Grant Park on Lake Michigan, on made land on the lake front. The ground surrounding the building has not yet been filled in and will require a fill of an average depth of 26 feet before the property can be made very accessible or any of its immediate surroundings utilized for another structure. The building is not complete. While the inclosed space consists of great wings and corridors which afford ample floor space for the placing of beds, it would appear to be poorly adapted by location and arrangement for hospital purposes. The location next to the lake is damp and miasmatic. The museum is only a short distance from the Illinois Central suburban line, and there is the usual amount of smokey atmosphere besides the cold, damp winds from the lake, which it would seem would be highly objectionable to hospital patients. The Speedway Park location, on the other hand, is a distance of 10 miles back from the lake, the air is mild, the space ample for any additional structures which might be found necessary in connection with reconstruction hospital work, such as shops, schools, etc., besides allowing space for all kinds of recreation and sports as well as garden farming.

9. That some time in the latter part of July or the early part of August, when the Speedway project was in contemplation, an effort was being made to obtain Government consideration of the project. Mr. Milton Trainer and Wallace Clark, composing the real estate firm of Trainer & Clark, called at the office of the Shank Co. and stated that they had power to help put the deal through, and stated that if Mr. Hines would arrange a meeting with Mr. Reynolds, referring to Mr. George M. Reynolds, president of the Continental Commercial Bank, of Chicago, that they thought it could be done; that Clark and Trainer would help put the deal through if they got a commission for it. That Mr. Shank and Mr. Foster, secretary and treasurer of the Shank Co., both heard the conversation and went at once to Mr. Hines's office and stated the substance of the interview had with Messrs. Trainer and Clark. Mr. Hines immediately replied that he would not go to Mr. Reynolds on any such a proposition and felt that something ought to be done about it, as Mr. Trainer was at the time in the Government service as one of the committee on the selection of hospital sites. Mr. Hines immediately communicated with his attorney, Mr. Jacob Newman, and told him what had been said, and Mr. Newman suggested that Trainer and Clark be sent to his office, and they shortly afterwards came to Mr. Newman's office. Mr. Hines had told Mr. Newman that Trainer or Trainer and Clark had demanded that day that he should deposit the sum of \$100,000 with Mr. George H. Reynolds, or secure the payment of that sum satisfactorily to Trainer and Clark or to Trainer. Mr. Poppenhusen, Mr. Newman's partner, was present at the interview at which the following took place. Mr. Newman said to Mr. Trainer:

"I understand you want Mr. Hines to secure the payment of \$100,000 as your real estate commission, in case the Government takes over the Speedway Park property."

That Mr. Trainer answered that he was correct, and went into some details about the work he and his partner had done for the purpose of showing Mr. Newman why he was entitled to compensation with respect to the Speedway Park property. Mr. Newman asked Mr. Trainer if it was not a fact that he was in the Government service and he said he was, and Mr. Newman then told him that the payment to him or receipt by him of any money of the Speedway Park matter would be a violation of the Federal statute on that subject which made it a criminal offense punishable by imprisonment; he further stated that if any money were paid to Mr. Trainer that he (Mr. Newman) would be the first one to disclose the fact to the Government; he further stated that Mr. Hines had instructed him to say to Mr. Trainer that Mr. Hines would not pay or suffer to be paid one dollar to anyone with respect to the Speedway matter. Mr. Trainer and Mr. Clark then withdrew, and later in the afternoon of the same day or early the following morning Mr. Clark called upon Mr. Newton and suggested that inasmuch as he was not in the service of the Government there was no reason why the commissions could not be paid to him. Mr. Newman told Clark that payment to him, as long as Mr. Trainer was his partner, was the same as a payment to Mr. Trainer and would involve both of them in the violation of the Federal statute.

10. That the valuation of the Speedway tract at \$600 an acre was placed upon it by Mr. Walter Mills, a member of the Chicago Real Estate Board and a member of the valuation committee. Mr. John F. Wallace, chairman of the valuation committee, Mr. Wallace Clark, who is a member of the real estate firm of Clark & Trainer, and Mr. Mills were asked informally to place a value upon the property, and Mr. Wallace and Mr. Clark were guided largely by the opinion of Mr. Mills. Mr. Mills placed a valuation upon the property without going out to the Speedway to aid him in his estimate and without accurate knowledge of the elevation and present condition of the property. Subsequently the valuation committee of the Chicago Real Estate Board was asked formally to place a value upon the land. That there was a formal inspection of the property which added \$500 an acre, which it was stated was by reason of the sewerage and water system and paved roadway, and which it was stated could not be duplicated for that to-day.

11. That the Shank Co. has expended in cash and incurred the following obligations in connection with the work done upon said hospital project: On pay rolls, \$172,796.61; on contracts, \$27,632.55; on materials and sundries, \$54,596.94. Total cash expended, \$255,026.10.

Accounts payable: Labor, \$33,313.07; material bills and sundries, \$99,486.93; total accounts payable, \$132,800. Contracts let, including millwork: Cut stone, sheet metal, metal doors, reinforcing steel, reinforcing pans, seating hangers, machinery rentals, and materials, total, \$115,700.

12. That it was the intention of Mr. Edward Hines, in case the proposal to repurchase the property at any time within eight years was accepted by the Government, to turn it over to the Catholic archbishop of Chicago as a gift, for permanent use as a nonsectarian institution, as a memorial to his son, Lieut. Edward Hines, who died in the service in France. Such intention had been conveyed to the archbishop, who was agreeable to the proposal that it should be maintained as a permanent institution of nonsectarian character, entirely charitable in its aims and objects, under Catholic auspices.

13. That Mr. Edward Hines in the course of his examination, being questioned in regard to the value of the land, formally offered to eliminate from the terms of sale any portion of the land considered in excess of the Government's requirements and to allow the Government on the project at the rate of \$1,200 an acre for so much of the land thus excluded.

14. That at the time of the inspection of the Speedway project on November 6, 1918, there was said to be 900 men at work, and the main hospital structure was up the entire length to the third floor and a considerable portion of the brickwork and window frames above the third floor had been laid. Mr. Shank stated that 2,500 men could be worked to advantage on the job, and that if he were given clearances he could complete the original structures covered by the contract easily in 60 days, and the entire project as covered by his first proposal in 90 days.

15. That the Construction Division has prepared an estimate of the actual cost of construction of the hospital project complete, as contemplated by the

final proposal of the Shank Co., without the land, based upon values obtained during the month of October, at \$3,662,830, adding to this the value of the 320 acres of land to be conveyed at \$1,200 an acre (which is the amount which Mr. Hines has offered to allow for any portion of the land not deemed necessary to the project), to wit, the sum of \$384,000, would make the total valuation \$4,460,830, for which it is proposed the Government shall pay \$3,253,475, leaving a difference in values of \$793,355, which fairly represents the amount of the contribution to the project by Mr. Hines and the Shank Co.

V. *Conclusions.*—1. That the Speedway Park property is well situated and satisfactory in every essential respect for a hospital location.

2. That the proposal of the Shank Co. for the construction of a permanent fireproof hospital and additional buildings upon said premises and the conveyance of the land and improvements to the Government for a total consideration of \$3,253,475 is a most meritorious and advantageous one to the Government, and if there is need of a permanent hospital or additional temporary hospital facilities, the Government should reconsider the proposal and accept the same.

3. That the supplementary offer of Mr. Hines to eliminate from the transaction any portion of the land not deemed essential to the Government in connection with the project and to allow the Government on the final proposal at the rate of \$1,200 per acre for the land thus excluded, should not be accepted. The entire tract of 320 acres should be taken over by the Government.

4. That the Government should not bind itself in any way to accept the proposal of the Shank Co. to repurchase the property from the Government at any time within 8 years at 40 per cent of the original investment.

5. That it is the intention of Mr. Hines, in case the offer to repurchase the property were accepted, to present the same through the Catholic Archbishop of Chicago, for permanent use as a nonsectarian hospital as a memorial of his son, Lieut. Edward Hines, who died in the service in France.

6. That the Shank Co. proceeded with the construction of the hospital as covered by the terms of the proposed contract executed by Mr. George H. Shank on behalf of the company on August 31, 1918, under circumstances which should entitle that company to equitable relief in the event of abandonment of the project. That the Shank Co. acted in complete good faith and with the understanding that the contract would be executed and in the belief that it was carrying out the desires of the Government in meeting an existing emergency.

7. That in addition to the demolition of existing structures upon said premises necessary in order to proceed with the new construction work, the Shank Co. has actually expended over \$250,000 in cash and incurred present obligations in an additional amount approximating \$250,000. That with due allowance for the value of the building partially erected upon the premises and the cost of converting the structure to other uses, the Shank Co. would be justly and equitably entitled to substantial consideration in the event of abandonment.

8. That the carrying out of the Speedway project as proposed by the Shank Co., and backed by Mr. Edward Hines, involved a loss or contribution by these interests of an amount approximating \$750,000. That the purpose of Mr. Hines in furthering the project was the patriotic and commendable one of providing a permanent, modern, fireproof hospital in place of the temporary, nonfireproof structures utilized in various localities for that purpose, generously inspired by the loss of his son, Lieut. Edward Hines, who died in the service after three months in a hospital in France. That Mr. George H. Shank, president of the Shank Co., is entitled to share with Mr. Hines in the credit of the undertaking, for the proposal included no remuneration in any form to him, either as profit, commission, or other personal compensation, and he had voluntarily proposed to Mr. Hines to share in proportion to his interest in the property the loss on the investment by reason of the undertaking.

9. That Mr. Albert De Wolf Erskine had interested himself in the project and was largely instrumental in persuading Mr. Hines and Mr. Shank to undertake the project, from entirely worthy and commendable motives and without any expectation of money consideration or reward therefrom, and was not to receive any remuneration in any form for his services in connection therewith.

10. That the work covered by the original proposed contract of the Shank Co., in the event of present approval, could be completed within 60 days and the entire project contemplated by the final proposal within 90 days.

11. That the Field Museum is unfavorably located and unsuitable and inadequate in every respect except floor space for hospital uses.

12. That any comparison of the relative merits, desirability, or economies of the Field Museum with the Speedway project on the basis estimated cost per bed is wholly inadequate and misleading. That in the opinion of the architects, the officers of the Surgeon General's Department, and the Construction Division who had to do with development of the plans for the Speedway Hospital, provision is made for a modern, up-to-date hospital, complete in every respect, with all of the conveniences of layout and arrangement that the most expert firm of hospital architects and medical and construction experts could design. Every 50 and 100 bed ward is a complete hospital in itself, with its separate 10 per cent of quiet rooms, storage and linen rooms, toilets, baths, treatment room, diet kitchen, ward surgeon's room and laboratory, balconies, and solarium. These additional spaces and facilities and the corridors are not included in estimating the proposed Speedway Hospital as a 2,500-bed project. On the other hand, no amount of alteration or reconstruction can make a hospital out of the Field Museum. In respect to grounds and surroundings and the accessories that go to make up a hospital, every facility and advantage is in favor of the Speedway. There is no ground at present around the Museum upon which additional buildings could be suitably erected; whereas, at the Speedway, some forty-odd additional buildings are provided for, still leaving acres for any necessary additions and unlimited space for exercise and recreation.

13. That no work has yet been done toward the converting of the Field Museum to hospital uses. The original structure is interiorly far from complete. The proposal to utilize the Field Museum for hospital purposes should be reconsidered and disapproved.

14. That if there should be necessity for additional hospital facilities in the vicinity of Chicago, after availing of the proposal for the Speedway construction now under consideration, that hospital could be duplicated on the Speedway grounds more economically and more satisfactorily than the Field Museum could be converted temporarily to meet such requirements.

15. That Milton J. Trainor, at the time in the Government service in the real-estate section of the Purchase, Storage and Traffic Division, and now a member of the commission for the selection of existing buildings for hospital use, and a partner of Wallace Clark, doing business in the city of Chicago as real-estate agents under the name of Clark & Trainor, some time in the latter part of July or 1st of August, 1918, while the proposal for the use of the Speedway Park for hospital purposes was under consideration, called upon Mr. George H. Shank, with his partner, Wallace Clark, and in the presence of Mr. Shank and Mr. Frank H. Foster, secretary and treasurer of the Shank Co., represented and stated that he was in a position to further the project and wanted to arrange a meeting with Mr. Hines with a view to arranging for the payment of a commission to him or to his firm in case the property was taken by the Government. That Mr. Hines refused to meet the gentlemen; whereupon Mr. Trainor and Mr. Clark called upon Mr. Jacob Newman and repeated the proposition. That the conversation with Mr. Newman was in the presence of Mr. Newman's partner, Mr. Conrad H. Poppenhusen. Mr. Newman told Mr. Trainor that Mr. Hines would not pay him a cent under any circumstances, and that it would constitute a criminal offense for Mr. Trainor to accept any money or for anyone to pay him any money, and that if he thought any money was to be paid or offered he would have no more to do with the matter and would himself lay the fact before the Government. Mr. Trainor argued that he thought he was entitled to be paid for the work that he had done before entering the United States Government, claiming that he was not disqualified to make agreement for his compensation for services rendered, as he had not taken his oath of office. Both Mr. Newman and Mr. Poppenhusen told Mr. Trainor that it made no difference whether he had performed service before or after he had entered the employ of the Government. Later on Mr. Wallace, Mr. Trainor's partner, returned, and again urged the proposition, wanting to know if an agreement could not be made with him individually instead of with Mr. Trainor or the firm of Clark & Trainor. Mr. Newman told him that any agreement for the payment of compensation, whether to Mr. Trainor or to Mr. Clark, under the circumstances, would be a criminal offense.

VI. *Recommendations.*—1. That the proposal of the Shank Co. as set forth in a communication to the Secretary of War, under date of October 12, 1918, and as covered in part by the proposed contract executed by George H. Shank, on behalf of the Shank Co., on or about August 30, 1918, for the construction of a hospital group and additional buildings upon the land known as the Speedway



tract, situated in the village of Broadview, Cook County, Ill., and for the conveyance of such land comprising about 320 acres, be reconsidered and approved.

2. That the proposal to convert and utilize the Field Museum in Chicago for hospital purposes be reconsidered and disapproved.

3. That the records of the examination of George H. Shank, Edward Hines, Frank H. Foster, Jacob Newman, Conrad H. Poppenhusen, and Wallace G. Clark, and the conclusion relative to the attempt of Milton J. Trainor and Wallace G. Clark to obtain a consideration for alleged services in connection with the Speedway Hospital project in consideration of furthering the same, be referred to the Department of Justice for consideration and appropriate action.

LOUIS W. STOTESBURY.

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WAR DEPARTMENT.  
OFFICE OF THE INSPECTOR GENERAL.  
*Washington, November 16, 1918.*

Memorandum for the Secretary of War.

Subject: Hospital project, Speedway Park, Chicago, Ill.

1. Attention is invited to the accompanying report of investigation made by Maj. L. W. Stotesbury, Inspector General's Department.

2. Maj. Stotesbury has covered this case very completely, and his conclusions, on pages 18, 19, and 20, are concurred in.

3. Recommendations No. 2 and No. 3 are concurred in, namely:

"(2) That the proposal to convert and utilize the Field Museum in Chicago for hospital purposes be reconsidered and disapproved.

"(3) That the records of examination of George H. Shank, Edward Hein, Frank H. Foster, Jacob Newman, Conrad H. Poppenhusen, and Wallace G. Clark and the conclusion relative to the attempt of Milton J. Trainor and Wallace G. Clark to obtain a consideration for alleged services in connection with the Speedway project in consideration of furthering the same be referred to the Department of Justice for consideration and appropriate action."

4. Regarding recommendation No. 1, namely, "That the proposal of the Shank Co., as set forth in a communication to the Secretary of War under date of October 12, 1918, and as covered in part by the proposed contract executed by George H. Shank, on behalf of the Shank Co., on or about August 30, 1918, for the construction of a hospital group and additional building upon the land known as the Speedway Park, situated in the village of Brookview, Cook County, Ill., and for the conveyance of such land, comprising about 320 acres, be reconsidered and approved." Same is concurred in, provided it be determined by the War Department to procure by construction additional hospital space.

In this connection attention is invited to letters of November 4 and November 8, signed by M. W. Ireland, Surgeon General, in which Gen. Ireland states, in effect, that it is desired to make ample provision for general sick in the vicinity of Chicago; that the Speedway property would admirably provide the necessary accommodation; that while it would be possible to salvage back to the owners of this property within a certain number of years at 40 per cent of its present value, it is believed that no such occasion would arise, as the necessity for this hospital would continue.

5. Special attention is invited to conclusions Nos. 6 and 7, page 18, relative to equity claims of the Shanks Co. in the event that the Speedway Park project be abandoned.

J. L. CHAMBERLAIN, *Inspector General.*

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WAR DEPARTMENT,  
OFFICE OF THE SURGEON GENERAL,  
*Washington, November 8, 1918.*

Memorandum for Gen. Chamberlain:

1. In regard to the cost of constructing hospitals, it appears, from the records of this office, that the Speedway project, which is permanent construction, will cost about \$1,300 per bed. This is approximately the cost of our temporary building construction, which is now being used in various places. The wooden barracks type of construction, used in the camps in many instances, ran more than \$1,300 per bed.

2. Under these circumstances it is apparent that it would be much more expensive for the department to attempt to build a permanent hospital outside

of Chicago rather than accept the Speedway proposition. The opinion of the supervising architect in this office is that to go elsewhere and build a permanent hospital building comparable to that planned on the Speedway would cost at least \$2,000 per bed, and if we were to add to that construction the cost of the land to be acquired, grading, etc., this would probably be greatly increased.

3. For the reasons given above, and on account of the unwillingness of the War Industries Board to authorize new construction where it can be avoided, I believe we should accept the Speedway proposition. A great deal of the construction here has already been done, and an immense amount of material has been obtained. We can probably occupy this hospital in about 90 days, and time is a matter of great importance. I realize that the climate of Chicago is not favorable, but the Speedway is a long way from the lake front and is an enormous improvement in this respect on the Field Museum.

M. W. IRELAND,

*Major General, Medical Corps, Surgeon General United States Army.*

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WAR DEPARTMENT.  
OFFICE OF THE SURGEON GENERAL,  
Washington, November 4, 1918.

Memorandum for the Inspector General's Department:

This office is now requested by the Inspector General's Department to express its desire and make recommendation with reference to the following general hospital projects: (a) Speedway Park, Maywood, Chicago, and (b) the new Field Museum, Chicago.

It is assumed that the Inspector General has all papers in his possession, including the recent memo from the Director of Operations to the Secretary of War, which included an exposition of the relative merits of the two projects and requested reconsideration.

(a) This office has always desired to make ample provision for general sick in the vicinity of Chicago and has desired to provide a portion of the beds (that proportion which will always be required by the enlarged permanent authorized strength of the Army) in more permanent construction. The Speedway Park property admirably provides this. Though it will be possible to salvage back to the present owners this property in five years or less at 40 per cent of its present value, this office feels certain that there will never be any occasion to do so, as all the beds of this general hospital will be required always and are not for the present emergency only.

(b) It is felt at this time, with favorable consideration of the smaller permanent hospital project at Speedway Park, this office does not desire to recommend the new Field Museum project. If a shortage of beds should result in the district of Chicago or the Central States, this office will undertake to supply the shortage more economically in another manner.

M. W. IRELAND,

*Major General, Medical Corps, Surgeon General United States Army.*

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#### EXHIBIT K.

From: Capt. E. R. Nichols, estimator.

To: Lieut. Col. C. C. Wright.

Subject: Chicago, Ill., the Speedway Park Hospital, as described in letter dated October 11, 1918, from the Chief of Construction Division to Mr. George H. Shank, plus additional features, viz: This estimate is based upon the assumption that the land at Speedway Park is bare and void of any improvements.

1. This department estimates the sum of \$3,327,990. C. & R. of H. will be required to cover the cost of the total construction. The estimate includes allowance for all items described in the above-mentioned letter, including all materials and installations called for in same, plus the additional cost required to make this a complete project considering that the land was entirely undeveloped. The cost of the property is not included in this estimate.

2. The prices used in the foregoing estimate are those that were in use for emergency work during the month of October and have not been changed in

any way to meet actual or prospective changes in cost which will result from the change in the military situation.

3. The figures given above are on the same basis as figures given to you under date of October 15, that is, that no percentage has been added for general contingencies.

4. This information furnished by Maj. Burt to Capt. Nichols under date of November 16, 1918.

E. R. NICHOLS,  
*Captain, Quartermaster Corps,*  
*Estimator.*

[First Indorsement.]

Lieut. Col. C. C. Wright, building branch, Construction Division, November 16, 1918, to Chief of Construction Division, Washington, D. C.

Attention is invited to the above estimate of \$3,327,930. This does not include any percentage for contingencies. It is customary for the Construction Division to add 10 per cent to cover items which can not be foreseen at this time. If this is included the total of the above estimate will be \$3,662,830.

C. C. WRIGHT,  
*Lieutenant Colonel Quartermaster Corps.*

#### ERSKINE EXHIBIT 1.

##### SPEEDWAY PARK, CHICAGO HOSPITAL PROJECT.

[Record of the examination of Mr. Albert De Wolf Erskine, taken by Maj. L. W. Stotesbury, Oct. 31, 1918.]

Mr. Erskine, having been first duly sworn by the inspector, was interrogated as follows:

Q. What is your permanent residence?—A. Chicago, Ill.

Q. And what is your business?—A. I was trained as an engineer.

Q. What is your particular work now in Washington?—A. Washington representative of the Interstate Iron & Steel Co.

Q. Just what work do you do in Washington for the Interstate Iron & Steel Co.?—A. I try to facilitate their affairs and keep them in touch with the movement of events down here.

Q. Is the Interstate Iron & Steel Co. engaged in Government contracts?—A. Yes, sir; partially.

Q. Do you know with what departments they have contracts?—A. I do not think they have any direct Government contracts, but their steel output is allocated to different manufacturers who require the steel products which they produce.

Q. Can you explain specifically work that you have done for the company here in Washington?—A. Obtained priorities; kept them advised of various developments in the Government steel situation; and advised as to policy. That is really all I have done.

Q. Do you keep your company advised in other concerns obtaining contracts who might be in the market for the products of your company?—A. I have not.

Q. Have you had anything to do with the procuring of contracts for your company?—A. I have not.

Q. Does your company supply you with an office here?—A. No, sir.

Q. You receive a regular salary from them?—A. I do.

Q. How long have you been here?—A. Since last November.

Q. Have you interested yourself at all in legislative matters for your company; have you appeared before any committees?—A. No.

Q. Your representation of this company then, is purely in business matters?—A. Absolutely.

Q. Does the work that you do for them originate here or do you act on matters referred to you by your company?—A. I act on the latter.

Q. Where is the home office of the Interstate Iron & Steel Co.?—A. Munroe Building, Chicago.

Q. Were you employed by the Interstate Iron & Steel Co. before coming to Washington?—A. No.

Q. What was your business immediately prior to coming to Washington?—A. My regular engineering business.

Q. Did you have an office in Chicago?—A. Yes, sir; and still have.

Q. Where is your Chicago office?—A. 228 South LaSalle Street.

Q. Is there an indication of the nature of your business indicated on your office door?—A. Simply the name "Albert DeWolf Erskine."

Q. Are you listed in the Chicago directory and telephone as real estate and loan?—A. Yes, sir.

Q. You have been interested in recent years in certain development in and about Chicago, have you not?—A. I have.

Q. Will you briefly state what those developments were?—A. In 1894 I took charge of the East Chicago lands there and proceeded with the development of the town. In 1901 I headed the Indiana Harbor proper and also the construction of the Indiana Harbor Canal. These two companies were located in Lake County of the State of Indiana. The development of these two towns consisted in bringing in population through the building of factories in the two places; the construction of the drainage of the land; the construction of sewers; the construction of street sidewalks; the building of electric street car lines; the building of the first section of the Indiana Harbor Belt Railroad; the construction of the Indiana Harbor proper and the Indiana Harbor Canal which connects Lake Michigan with the Calumet River and provides for these two towns lake transportation, as the Indiana Harbor Belt Railroad provides belt communication with all the railroads entering Chicago. The work also required construction of buildings of all descriptions as well as factories; the selling of real estate; the disposal of loans and of the mortgage loans on the buildings and factories; the establishment and operation of two banks.

Q. You had to interest manufacturers to come and locate on the purchased property?—A. I did, as well as in many instances provide additional capital and in some instances had to consolidate them with other industries to make a concern that we were willing to do business with.

Q. Was this work carried on through companies organized for the purpose?—A. Yes, sir.

Q. And what was your connection with the company or companies?—A. For the greater part of the time I was the president of these companies as well as the president of the local banks.

Q. And you interested the capital, and as president of these development companies, carried out the projects?—A. That's the idea.

Q. Do you still retain your interest in these development companies?—A. No; no, sir.

Q. When did you part with them?—A. About six or seven years ago?

Q. And in parting with them did you retain certain of the securities as part of your compensation for your interest?—A. No; I kept my interest in land.

Q. And since that time you have devoted yourself to dealings with the land that you acquired in that way?—A. As a side issue.

Q. And your principal business during the same time was what?—A. That of engineer.

Q. And of what character of work as an engineer?—A. Through having located so many industries in Indiana Harbor and East Chicago, I fully understood the general requirements of industries and have acted largely in an advisory capacity in first selecting for them the proper location, at times purchasing their property for them and arranging their financial schemes and placing their bonds or other securities.

Q. That is, doing for others for a compensation what you had formerly done in the interest of your own companies?—A. Yes, sir.

Q. Engineering development, might it fairly be called?—A. Yes, sir.

Q. Are you a graduate engineer?—A. I graduated in the engineering course at the Sheffield Scientific School at Yale University.

Q. But you have never received the degree of mechanical engineer from that institution?—A. No, sir.

Q. That in order to obtain the degree is not a scientific or engineering thesis required as a completion of the course?—A. Yes, sir.

Q. And did you complete your course up to that point?—A. Yes, sir; but it could not fairly be said that I had completed an engineering course, but I believe through my studies and engineering performances that I have practically its equivalent. But I have not completed the theoretical course of study leading up to the degree of M. E. or C. E., but it has been intimated to me by the university authorities that my practical engineering work would, upon proper application, be regarded as an equivalent to the completion of the

theoretical course, and that I might get the degree upon the presentation of an engineering thesis.

Q. Under what circumstances did you first become interested in the matter of the establishment of Government hospitals?—A. Through talking to Dr. Frank Billings, now Col. Billings, in the Surgeon General's Department, a very prominent medical authority of Chicago, who has for years taken a large part in important civic matters and been one of the progressive, strong men for the building up of Chicago along advanced lines.

Q. When you first became interested in that subject was Dr. Billings in the Government service?—A. At that time he was an officer in the Surgeon General's department; yes, sir. It was through numerous conversations with him that I became deeply interested in reconstruction hospitals. Dr. Billings was much interested in reconstruction work, and his conversation interested me tremendously and to such an extent that I procured various articles on reconstruction work and attended such lectures as I might and also talked to many of the British, French, and Canadian officers who were here in Washington, along these lines and about what had been accomplished in the way of reconstruction by their nations. And in view of the pictures thus given to me I saw an opportunity for doing something in war work, and possibly to be instrumental in securing for my own city of Chicago a great reconstruction hospital which would have ample ground in a proper location, where, in addition to the hospital, there could be erected the various kinds of shops, machine shops, woodworking shops, etc., as well as schools and the necessary buildings and equipment for the teaching of agriculture, horticulture, and dairy farming: in other words, that every facility would be provided where not alone the mind of the wounded soldier, but what physical ability he had left, would be so encouraged and so trained that it would be brought to the highest point of effective effort. In other words, instead of putting all wounded soldiers after they had recovered in soldiers' homes, or letting them become railroad crossing operatives or any job which received some very low pay for, to have such a hospital where the men, backed by the Government, until they happily and efficiently left its authority, could go out into the world feeling that, though they had sacrificed whatever they had for our Government, the Government had done everything it could to show its appreciation of what they had given.

Q. In utilizing to the best advantage the powers that they might have remaining?—A. Yes, sir; absolutely.

Q. Did you do some independent reading and investigation on the matter of development and reconstruction in that connection in addition to your talks with Dr. Billings and the foreign officers?—A. A great deal. I was also present in Chicago at the time of the great Army medical meeting out there. I attended the lectures, went to the moving-picture shows, and had many conversations with medical men there.

Q. So that by reason of the interest aroused through your talk with Dr. Billings you really made a special study of this study of reconstruction?—A. I did. The subject especially appealed to me on account of my considerable experience with factory operatives and the injuries that they received and the way they are, through them, the men power of the country is constantly being depleted, and unnecessarily so, and I became convinced that it was only a matter of time that not alone would there be Army reconstruction of wounded men, but there would be civil reconstruction of wounded operatives. That mere money compensation to the person injured industrially is not sufficient to restore that man to a useful place in the community. He must be educated mentally as well; that is, to make the best use of the physical and mental powers that have been left, and it was my conclusion that very little, if anything, had been done along those lines of reconstruction work. And that now surely as the result of the war, intelligent action on the subject would certainly be taken by our Government and communities.

Q. When did you first become interested in the Speedway Hospital project?—A. After talking with Col. Billings and his mentioning to me numerous properties in Chicago that were up for consideration, and also telling me about the proposition that had been made to erect a permanent fireproof hospital on the Cub Ball Park on the west side in Chicago. I, in the due course of my business, was in Chicago and took pains to look over these properties, feeling that I possibly could give Dr. Billings suggestions and advice which might be helpful to him. I hoped that I could in some way be helpful to Dr. Billings, who had for the first time in my life interested me in something outside of my business.

About the time when the Army medical meeting was held in Chicago I went to the Speedway property with Col. Billings and Gen. Noble and some other

gentlemen; I do not remember who they were. Aside from being more impressed by the advantageous location of the Speedway Park and its adaptability for a reconstruction hospital, I was tremendously impressed with the amount of material on the property evidenced by the steel structure grandstand and the immense amount of lumber in the bleachers and in the tract itself, also by the evidently 2 or 3 miles of good macadamized roads, the large quantity of lumber fixtures on the ground, and the evident extensive water mains that must be on the property, and the high board fence which surrounded the property, all of which meant to my mind that in the event of the construction of a hospital on the property that not alone did the ground work already in, i. e., the sewers, roads, water pipe, etc., but the materials on the property, would go far toward providing the materials necessary in the construction of a hospital.

Q. Had anyone up to that time spoken to you in regard to the availability of the Speedway site for hospital purposes?—A. In the numerous discussions that I had about reconstruction hospitals with various medical officers, there seemed to be a great doubt about the proper amount of acreage that should be provided for a reconstruction hospital, but after hearing many talks upon this subject I determined in my own mind that for a 2,500-bed unit, which I was advised was the practicable operating unit for a reconstruction hospital, that not less than 250 acres should be provided; and when I looked in the buildings and sites that had been previously suggested to me as available to the Government, only one of them contained over 100 acres, and that was the Speedway Park.

Q. So that your impression is that the Speedway Park property had been suggested to you by some one as one of the plots under consideration?—A. Yes, sir.

Q. Did you get this information from Dr. Billings?—A. I am not sure, but I think I got it from somebody in the Medical Department in Washington.

Q. Had you discussed with anyone in Washington, then, the reasons for temporary hospital structures which were then in contemplation?—A. Yes, sir; and while all concerned agreed that a fireproof, modern hospital would be infinitely better than a temporary nonfireproof, which in the course of a few years would have to be scrapped, still, on account of the supposed lack of material and the difficulty in obtaining labor and the vastly greater expense of a fireproof structure, they thought it imperative that the temporary structure be built. From this I differed decidedly, though agreeing that this condition might be so in some and possibly the greater number of localities, it being very evident that such was the case here in the East, i. e., east of the Allegheny Mountains; but knowing the conditions in Chicago, the great surplus of brick on hand, the surplus of reinforcing bars that were on hand, the accumulation of cement, the availability of crushed stone from the near-by quarries, and the great amount of labor which, though it had been drawn from Chicago by the Government to other parts of the country, still the old men, those over 45 years of age who had owned homes, had finally drifted back to Chicago because they were unwilling to undergo the condition of living away from their family that the younger men would not object to; for that reason there would be plenty of industrial labor obtainable. And it was on account of these prior discussions with regard to material that I was so impressed by the materials on the Speedway Park and their availability without using up transportation and the consequent additional congestion of railway facilities.

Q. Can you not recall who first referred to the Speedway location which suggested or occasioned your first visit there?—A. I think it was Dr. Billings, but I am not sure.

Q. Do you know Mr. Newman, who is the attorney for Mr. Hines; had he represented you as counsel in some of your enterprises?—A. Yes; and particularly in the consolidation of the Grand Crossing Tack Co. and the Interstate Iron & Steel Co.

Q. When did Mr. Newman first speak to you in regard to the Speedway?—A. I was accustomed to seeing Mr. Newman at intervals, say, of two or three weeks, and had talked with him about my interest in different matters in Washington, among others and principally about my great interest and growing interest in reconstruction hospitals, and spoke to him of my feeling that the Speedway Park was an ideal location. He then told me that Mr. Hines, a client of his, was the principal owner of the Speedway Park. Before this time certain men in Chicago, among others Ogden Armour, had proposed building on the Cub Ball Park on the west side of Chicago, adjacent to what is known as the Ghetto district, a permanent fireproof hospital, they to provide the neces-

sary funds which it would cost in excess of the amount the Government was then expending on temporary nonfireproof hospital of the like capacity, with the stipulation that with the termination of the war the use of the hospital by the Government, it should be turned over to the University of Chicago and the Northwestern University. Later my understanding is that Mr. Armour wished to make this contribution himself, but on the condition that the hospital be named after his daughter. It was about this time when Mr. Hines's eldest son, a lieutenant in our Army, was wounded while fighting in France, and it occurred to me that, he being a man of very large means, was the logical person to provide the difference between the cost of a temporary hospital and a fireproof hospital which might be constructed on the Speedway Park. Then I asked Mr. Newman to introduce me to Mr. Hines, with the idea of trying to interest him in doing this. He seemed interested and said he would consider it. Upon my meeting Mr. Hines and explaining the matter to him, he seemed interested and said he would consider it. At a subsequent meeting he asked if it would be possible to have the hospital named after his son, who had in the meantime died, if he backed the project. I looked this matter up and found that it was out of the question, and I advised him, but suggested that though, to the world, he had not done this in memory of his son, he would have the inner satisfaction of knowing he had done it, and begged him to talk it over with his wife. Later on he told me that he had made up his mind that the idea was meritorious and that he was about to undertake it.

Q. Were any definite figures mentioned in this talk with Mr. Hines relative to the cost of the construction?—A. Yes, sir; I told Mr. Hines that I had talked with the Surgeon General and Gen. Noble, and they had advised me that the temporary structures the Government was building was not less than \$1,234 a bed without the ground, and that I thought it would be no more than fair for the Government to pay \$1,000 per bed toward a modern fireproof hospital and for the community where the hospital is erected and some one in the community to provide anything over and above that sum.

Q. Did you take any steps to ascertain what it would cost to erect such hospital as you had in mind and what allowance was being made for the value of the ground in order to indicate to Mr. Hines what his charity would cost in round figures?—A. During my conversations with Mr. Hines the question of cost of this hospital was discussed and Mr. Hines called upon Mr. Shank, who had considered the Speedway buildings, and asked him to give him a rough estimate as to what sort of an expenditure would be necessary to create a 2,500-bed fireproof hospital. In the course of my several talks with Mr. Hines and before he definitely said he would undertake the project, he consulted with Mr. Shank as to the probable cost of a 2,500-bed, fireproof, absolutely modern, and up-to-date hospital, such as I had proposed should be constructed, and had been advised, as he understood it, by Mr. Shank, that such a hospital would cost about \$2,250,000. Mr. Hines told me in the course of these conversations that he had invested in the property over \$1,750,000, and that if the hospital was going to cost \$2,250,000 he thought I was drawing a very heavy, or seeking to draw very heavily, on his charitable inclinations. We had many very serious talks on this matter, and Mr. Hines finally said: "If my son has given what he has for the Government, I guess I can go through this as my contribution."

Q. Did you at that time suggest to Mr. Hines that he should eventually buy back from the Government this structure and present it to the city of Chicago as a permanent establishment?—A. No.

Q. That was not suggested at that time?—A. No; it was not considered. I was tremendously impressed that he was willing to make a sacrifice of at least \$1,000,000, allowing very liberally for the materials which would be utilized in the construction of the new buildings.

Q. So that the proposition, so far as outlined at that time when you received Mr. Hines's approval, contemplated the construction of a permanent fireproof hospital, complete, at a cost estimated at something like \$2,250,000, and that the buildings and the land should be turned over to the Government and that Mr. Hines should receive not exceeding the sum of \$2,500,000, which was the approximated cost to the Government of the type of temporary structures which had been erected at various points?—A. Yes, sir.

Q. And that in order to erect that hospital unit upon the property improvements which had already been placed thereon at an estimated value of something like \$1,750,000 would have to be destroyed, or utilized, as far as possible, in the new structure provided, and the transfer of the lands itself, whatever might

be its value?—A. Yes, sir; with the exception that this statement applies to the structures above the grounds, because the sewers, the roads, and steel water pipes would remain, and also the fence.

Q. Was anything said in regard to the disposition of above-ground structures and material not utilized in the building of the hospital as to who was to receive the benefit of that?—A. That matter was not discussed at the time.

Q. I wish you would state in your own way what you estimated this undertaking to represent to the Government and to cost Mr. Hines at the time the project received the final approval of Mr. Hines.—A. I figured that the Government would be getting a fireproof, modern hospital with all the latest appliances and fixtures and 320 acres of splendidly located grounds with about 3 miles of macadamized roads, twenty-odd miles of sewers and drains, 4 miles of water mains, and a high board fence in first-class repair surrounding the property for less than they could procure similar sized buildings in the temporary nonfireproof construction without any ground, and that, on the other hand, Mr. Hines would be making the contribution of upward of \$1,000,000.

Q. How did you compute the amount of the contribution made by Mr. Hines?—A. Mr. Hines told me the property with the improvements thereon stood him at \$1,750,000; the hospital buildings were estimated to cost \$2,250,000. At the price that the Government was to pay—\$2,250,000—this allowed \$250,000 for the 320 acres of ground, the improvements in the ground, the roads, and the fence. And I estimated that the materials on the ground which would be used in the hospital and those which were left of those which would be disposed of would bring about \$500,000; so that Mr. Hines would be getting for his investment of \$1,750,000 the sum of \$750,000, or he would take a loss of \$1,000,000. It should be said here, however, that Mr. Hines was very strong in saying that instead of his getting a salvage of \$500,000 out of the materials, he was surely not getting over \$250,000 of salvage, and that instead of the hospital costing \$2,250,000, it would surely cost over \$2,500,000; so that Mr. Hines's conviction was that he would be making a contribution of over \$1,500,000 instead of \$1,000,000. But, notwithstanding that opinion, Mr. Hines finally gave his consent to undertake such a proposition.

Q. Did you obtain any written confirmation of the proposal of his acceptance of it?—A. No.

Q. Do you know anything about the method by which Mr. Shank approximated the cost of the building at \$2,250,000?—A. I did not at that time.

Q. Can you understand how it was expected to build a fireproof structure of a capacity of 2,500 beds at a total cost of \$2,250,000, which was less than \$1,000 per bed, whereas you had already ascertained that the average cost for temporary structures to the Surgeon General's Department was \$1,234 per bed?—A. Only through the salvaging and using of the materials on the property.

Q. So that you think it likely that Mr. Shank had already taken into consideration the matter of salvage in his estimate of cost?—A. Yes, sir.

Q. But notwithstanding that in discussing the matter with Mr. Hines a further allowance of \$500,000 for salvage was considered, was it not?—A. It was claimed by me, for at the time I did not know and did not consider that Mr. Shank had already allowed it; but I am convinced since that time that such was probably the case, for I do not see how he could have agreed to construct a modern fireproof building for less per bed than temporary nonfireproof buildings were being built by the Government unless he did do this.

Q. Would that, then, tend to revise your opinion as to the amount of the contribution necessary from Mr. Hines to carry out this project?—A. It makes me feel that he was making a very much heavier contribution than I at first supposed that he would be called upon to make. And I now think that Mr. Hines was right in saying to me that his contribution would be nearer one million and a half dollars than the \$1,000,000 that I suggested it would be.

Q. Upon obtaining this agreement from Mr. Hines what did you do?—A. When I returned to Washington with the feeling that I had secured both the proper location and the necessary backing to make possible an ideal fireproof reconstruction hospital I first went to Col. Billings, where I ascertained that the policy had been established of building only temporary hospitals or converting existing buildings. This was confirmed by Gen. Noble and others, and I made up my mind that the only way which I could get a hearing for this fireproof new construction building would be to take it up with the Secretary of War direct. It took me some time to secure this interview, but an appointment was finally given me by the Secretary and I was taken to his office and introduced to him by Mr. George Creel. The Secretary heard my story and evi-



denced great interest in the idea, with the result that he called in the Third Assistant Secretary of War, Dr. Kepple, and explained to him the project and asked him to take me to Gen. Jervay, of the General Staff, and assist me in every way that was necessary, so that the plans and specifications could be developed by me to the satisfaction of the Surgeon General's Department. Dr. Kepple the next morning introduced me to Gen. Jervay. Through Mr. Creel's kindness, I had been granted an interview to last 15 minutes with Secretary Baker, and I felt highly gratified on coming out of his office that he had been so interested and gone into the matter so fully that the interview had taken an hour and fifteen minutes. After presenting the matter to Secretary Baker he called in Dr. Kepple, and I must say that, in the opinion of Mr. Creel and myself, he presented the matter to Dr. Kepple in a more persuasive and convincing way than I had presented the matter to him. And when Dr. Kepple presented the matter to Gen. Jervay he outdid us both; that is, in my estimation he presented the matter better than either the Secretary of War or I. I only mention this as an indication that Secretary Baker and Dr. Kepple appeared to be at that time deeply interested and heartily in favor of this project. Gen. Jervay called in Dr. Dickenson, whom he introduced to me as the liaison officer who would have charge of this matter, and instructed Col. Dickenson to take me where necessary and help me in getting such assistance as would make possible the rapid production of the necessary plans and specifications. Dr. Dickenson took me to Gen. Noble, of the Surgeon General's Department, told him what Dr. Kepple and Gen. Jervay had to say about Secretary Baker's attitude on the matter, and asked Gen. Noble to give me whatever assistance he could. Gen. Noble asked me what I required, and I told him I would like to have space allotted where I could assemble the necessary engineers and draftsmen so that we could produce the plans, that I would like to have these under the constant supervision of the various heads of departments who would have to finally pass on the plans, and also such men from the construction department as would finally pass on the plans. Gen. Noble furnished space for drafting boards and we then assembled a working force. On talking with Col. Wright, of the Construction Department, he mentioned Mr. Wheeler, the architect who had drawn the preliminary plans, was hardly of the caliber that he would like. I told him we would be glad to furnish any architects that he would approve, and he suggested the names of three firms—Holabread & Roach, Jarvis Hunt, and Schmidt, Garden & Martin—all of Chicago, saying that he preferred the firm of Schmidt, Garden & Martin, as they were recognized as great hospital experts. I called up Jarvis Hunt on the long-distance telephone, but was unable to reach him. I then called up the firm of Schmidt, Garden & Martin, with the result that Mr. Garden, of the firm, arrived in Chicago two days later, when he and Mr. Wheeler together decided on the number of draftsmen and other men necessary. These men were wired for, and in a few days men—a complete and competent working force—were at it from early morning until nearly midnight producing plans for this hospital under the constant supervision of both the Surgeon General's Department and the Construction Department.

Q. Have you any other interests in the locality of the Speedway Park?—A. None.

Q. Do you own any property in that neighborhood or territory that would be affected at all by this hospital project?—A. The nearest piece of property I own is over 25 miles away.

Q. Did you have any talk with Mr. Hines about any interest of your own in this project, any financial interest?—A. None.

Q. Was it your expectation to receive any compensation or emolument for or by reason of your interest in this matter?—A. No.

Q. You were not directly or indirectly to receive any money benefit or profit from your efforts in connection with it?—A. No.

Q. Either directly or indirectly?—A. Neither directly or indirectly.

Q. What was your motive and interest in interesting the various parties in this matter other than you have already fully disclosed?—A. Nothing, except that being in Washington and all my friends being either in the Army or doing war work of one kind or another I increasingly got to the point where I felt compelled to do some war work, and this seemed to me a worthy, meritorious thing to help on.

Q. And you had no other interest or motive in it save to do a valuable service to the Government in this connection?—A. That is all, except this: I felt that if I could be instrumental in producing a fireproof hospital for the

Government instead of a nonfireproof hospital that it would give me decided credit with friends of mine here in Washington whose opinion I have extreme regard for and would ultimately bring me credit in Chicago. I am selfish in this in feeling that if my friend, Mr. McAdoo, knew that I could accomplish this he might be willing to give me some larger and some more serious matter to undertake. My experience and activity with construction of various kinds and what I have seen and learned in Washington made me hope that if I could establish a reputation in securing this hospital for the Government that later on I might be called upon to help with the reconstruction work in France, which is bound to come after the war and will require most careful and expert treatment in handling. With the special study that I have referred to, I am expecting that it will definitely qualify me for that service.

Q. When did you next confer with Mr. Hines in regard to the matter after you talked with the Secretary of War?—A. Immediately upon being taken to Gen. Noble by Col. Dickenson and having been allotted space I conferred with Mr. Hines and told him what I proposed doing as being the most effective way to get ahead with the project and he thoroughly approved.

Q. How long did it take to complete the plans and specifications as far as they were prepared?—A. As I recall we got them to full working effectiveness on a Tuesday; a week from the following Thursday I notified Gen. Noble that the plans were completed, the force having worked practically every night until midnight until that time. And I might say here that though at first there seemed to be distinct opposition on the part of many of the men in both the Construction and the Surgeon General's Department, after they saw the way in which our force worked and how they wanted to meet all of the suggestions of these various men that they became very helpful and tried to give us the best they had and seemed to appreciate our efforts.

Q. Do you recall your first interview with Col. Gunby?—A. Very distinctly.

Q. State when that interview took place relative to your interview with the Secretary.—A. It took place before my interview with the Secretary, as near as I remember. I told him what my ideas were; that this steel grand stand could be converted into a modern, fireproof hospital, and both he and Col. Wright questioned the possibility and treated the idea with a distinct lack of seriousness, even going so far as being willing to bet any amount that such a thing was impossible of accomplishment. I left these two gentlemen shortly in a very offended frame of mind.

Q. At the first time you went to Col. Gunby's office did you have a letter from Mr. Shank, addressed to the Secretary of War, and a memorandum from the Surgeon General, addressed to the Chief of Staff?—A. I did.

#### SPEEDWAY HOSPITAL.

NOVEMBER 1, 1918—CONTINUATION OF THE EXAMINATION OF MR. ERSKINE.

Statement by Maj. STOTESBURY: This is a continuation of the examination of Mr. Erskine. You have already been sworn in this proceeding, and are still under oath in this examination.

Q. In your examination yesterday we had proceeded to the point where you had disclosed the preparation of plans and specifications, which you stated were worked out in the office of the Surgeon General. Now, will you proceed with your statement from that point, showing the various steps in the development of this project, so far as you recall?—A. The plans were developed, as I stated yesterday, in the Surgeon General's office, and under the constant supervision of the different officers responsible for the various parts of the hospital, and also under the supervision of those in the Construction Department, who would be called upon to pass upon the plans. They were completed on Thursday, as I recall, and late that afternoon I was in there, and Gen. Noble asked me what the next step was. I told him I would like very much to have all the officers who would be called upon officially to approve the plans assembled around a drawing board on which the plans would be placed the following morning, and that, together with our architects and head draftsman and contractor, would inspect each sheet of the plans in order, make corrections that were suggested and approved on the same in red pencil, so that when we were through with the meeting we would all know that the plans were finally approved by both the Surgeon General's department and the Construction Department. At 9 o'clock the next morning these officers and our men assembled

around the drawing board. Gen. Noble outlined the procedure for the morning, and we proceeded to work.

Q. I will have to interrupt you at that point—what was the date of that meeting, to your best recollection?—A. Friday, August 30.

Q. What officers were present at the conference?—A. Gen. Noble, Col. Billings, Col. Kraemer, Col. Wright, Capt. Cutler, and there were at least three others whose names I do not recall; also Mr. Gardner, one of the architects, and Wheeler, the other one.

Q. Was Mr. Shank present?—A. My recollection is that he was present.

Q. Was Mr. Newman?—A. My recollection is that Mr. Newman was present with a man named Erickson, who was our head draftsman, and a stenographer, and myself.

Q. Where did the conference take place?—A. In the wing of the Surgeon General's department, adjacent to Gen. Noble's office.

Q. Was the Construction Division at the time in the same office with the Surgeon General?—A. No; it was across the street.

Q. And the officers from the Construction Division had come over there for the conference?—A. Yes.

Q. Did the stenographer take minutes of that conference, so far as you know?—A. That was the intention; but my recollection is that after they got to work they were able to make the corrections on the plans in red pencil in a manner satisfactory to everybody, and I am not sure whether the stenographer took notes or not.

Q. Now, proceed with the story of what took place.—A. Shortly after noon the last page of the plans had been passed on. The corrections had all been made, and our draftsmen were instructed to make the corrections on the tracings and get out a set of blue prints at the earliest possible moment.

Q. Were the corrections made on a blue print?—A. My recollection is that the corrections were made on the tracings and blue prints taken from the tracings.

Q. You are sure in your recollection that after the corrections had been made final drawings were prepared in accordance therewith, and incorporating the corrections, and that a final set of blue prints were prepared?—A. Yes.

Q. When was the legal department of the Construction Division brought into the matter?—A. About a week before this time I introduced Mr. Newman to Gen. Noble, who has been the counsel acting for Mr. Hines and myself in this matter.

Q. Do you know what was done by Gen. Noble after that introduction?—A. I think he telephoned to Col. Shelby and Mr. Newman, and I went across to Col. Shelby's office, and he knew who we were when we arrived there, and he said he was going to put the matter in charge of—who was then Capt. O'Brien—and he called Capt. O'Brien in and introduced him to Mr. Newman and myself, and then Mr. Newman and Capt. O'Brien went into an adjoining room and I left.

Q. Now, proceed with the story of the negotiations, so far as you are personally informed.—A. Well, there was a great hurry that Friday afternoon, because we were all imbued with the idea of getting to work very quickly, and were all very much pleased that the plans were approved, and it seemed that we would now be able to begin on the actual work itself.

Q. How was approval of the plans indicated, if at all?—A. About 4 or 5 o'clock, or late in the afternoon, we all assembled in Col. Wright's office. The final blue prints were on his desk and the draft of the contract was also there. I don't remember the conversation. I have a list of the men who were there and I remember what we did. The men there were Capt. O'Brien, Mr. Newman, Col. Wright, Mr. Schmidt, of the firm of Schmidt, Garden & Martin; Mr. Garden, of the same firm; Mr. Shank, and I. Col. Wright directed Mr. Shank to sign the contract; each sheet of the plans were initialed—you know how they do it—were signed or initialed by both Col. Wright and Mr. Shank. While this was being done, Col. Wright stated that he wished it understood that the firm of Schmidt, Garden & Martin were no longer in the employ of Shank. Capt. O'Brien suggested the best way to evidence the fact was for the Shank Co. to pass a resolution to that effect, and Col. Wright asked Capt. O'Brien to draft it. He did this while we were all there and gave the draft to either Mr. Shank or Mr. Newman. My recollection is that the resolution, in addition to providing for the ratification of Shank's signature to the contract, also provided that the Shank Co. released the firm of Schmidt, Garden & Martin from any further service, mentioning the reason that they had been employed by

the Government. That is my remembrance of it. Col. Wright then, talking to Mr. Shank, Mr. Schmidt, and Mr. Garden, suggested that they go back to Chicago at the earliest possible time and begin work as quickly as possible—Schmidt and Garden on the working drawings, and Shank on the buildings, Col. Wright stating that the next step was for him to prepare his report for the general staff, but that was a mere matter of form, because the project had been approved by every one in authority, and stated that he would sign a contract in behalf of Gen. Marshall, as the general was out of the city. That is my recollection of it.

Q. Did Col. Wright sign the contract at that time?—A. I don't know. I know he signed the plans, but I don't know whether he signed the contract at that time.

Q. How many copies of the blue prints were marked or identified by the initials or signatures of Mr. Shank and Col. Wright?—A. I am not sure, but I think at least two were.

Q. What was done with the plans and specifications so identified?—A. Mr. Shank took one copy. We left Col. Wright's office, got in my car and left Col. Wright in his house, after which I took these other gentlemen to the Raleigh Hotel. That evening I went to Mr. Baruch's to dinner, and while at dinner Mr. McAdoo asked me how the hospital project was getting along. I told him the plans and specifications had been approved and that the contractor and architect were leaving for Chicago that night, the contractor to begin work and the architect to prepare the final working drawings.

Q. Did Col. Wright take Mr. Shank and Mr. Garden to the train that night, so far as you know?—A. My recollection is very imperfect on that. I don't know.

Q. Did Col. Wright, while on the way to his home in your automobile, make any other reference to the need of expedition in the construction?—A. There was constant talk throughout the day about the haste that was required in the completion of these buildings.

Q. What statement, if any, was made in regard to the insufficiency of the plans and specifications for construction purposes?—A. That they were ample to start construction and that the inside details needed refinement.

Q. Was any discussion had during this final interview before Mr. Shank signed a copy of the proposed contract in regard to this provision of the draft of the contract, "For lack of time said plans and specifications for the construction of the foregoing buildings and structure are not so full and detailed as they ought to be for working specifications, but notwithstanding this fact, the contracting officer has directed the owner to begin immediately the work of construction, and in compliance with such direction, the owner agrees to begin the work of construction immediately under the terms of this contract, without awaiting the final completion of said plans and specifications, and the contracting officer agrees to employ at his own expense another architect, skilled in hospital construction, to complete said plans and specifications with all reasonable dispatch and to the satisfaction of the contracting officer."—A. There was a good deal of talk and the impression I received was that it was a mere matter of form before the contract would be finally signed, and in the meantime both the architect and contractor should proceed.

Q. Was anything said at that time about the necessity of final approval by the Secretary of War, and that anything done, any work performed prior to such approval, would be wholly at the risk of the contractor?—A. My recollection is that my having already taken the matter to the Secretary of War, and explained the project, and having stated to the Secretary of War that we would proceed to produce plans and specifications satisfactory to the Surgeon General's Department and the Construction Division, that it was taken for granted that the Secretary of War's approval would be forthcoming.

Q. Was it taken for granted by you that that approval would be given?—A. Absolutely.

Q. And did you in any way communicate that assurance in that respect to Col. Wright and the other officers present at this final conference?—A. I think probably I did.

Q. Was it stated in substance by Col. Wright that if Mr. Shank cared to go ahead in reliance on that statement he could do so, but in so far as he was concerned no contract would be in force until approved by the Secretary of War?—A. Col. Wright may have said that, but I am confident the impression among all of us was that the project was a closed matter, and that it was simply a mere matter of detail before the final papers go through.

Q. Was not that impression due to the statement in substance by yourself that the Secretary had approved of the project in principle subject to the agreement in respect to design, specification, and details by the other departments?—A. Possibly so, but I think also Col. Dickenson had recited and had given the same thought after hearing from Dr. Keppel, Gen. Jervay, or whoever he had been informed by.

Q. You do not wish to state that Col. Wright, by any act of this, indicated that a contract existed until the Secretary of War should give his official approval?—A. Col. Wright certainly made some remark along that line, but in such a way that the impression was left with me that it was a mere matter of form after the approvals that had already been had.

Q. Was not that impression which you had largely due to your own confident belief, as a result of your conference, that the matter would have approval, so that you were ready to assume that it would be approved, rather than anything that Col. Wright said?—A. Possibly so, but in the meantime I had been in constant communication with Gen. Noble and other officials of the Surgeon General's Department. They had repeatedly told me of the dire necessity for hospitals and how much they needed a hospital of this kind which would be perfect in all its details, and how economically it could be operated. The impression I had was the feeling that Secretary Baker, Dr. Keppel, Col. Jervay, Gen. Noble, and Col. Billings were heartily in favor of this matter, and it was my understanding they were.

Q. Were you not so sure in your own mind that the contract would receive approval that you were willing to back up your judgment by the assumption of a part of the risk of proceeding to the construction before receiving that final approval?—A. My recollection is that while the plans were being signed, and when Col. Wright was stating that the final signing of the contract was a mere matter of form, we were all in a very enthusiastic and happy frame of mind, and that I said I was willing to take a chance on half of any damage that the contractor might assume by going ahead, saying this, however, in a way one will in conversation, "I bet you so and so," with the idea of strongly bringing out his frame of mind.

Q. Do you not recollect that in your presence Col. Wright told Mr. Garden that no action could be taken by the construction division or by Mr. Garden's firm to commit the Government in any way in advance of the execution of the contract, and in the event that the project should not receive final approval there would be difficulty and delay in securing reimbursement for his firm for any preliminary expenditures?—A. I did not hear that conversation between Col. Wright and Mr. Garden and Mr. Schmidt. They were over in the other corner of the room. It may have taken place while they were conversing in another corner of the room.

Q. Was it not a day or two after the marking of the plans and specifications that you went to the office of Col. Wright and asked him specifically if it were safe to go ahead with the project, and that Col. Wright told you that if they did so it would be entirely at their own risk, and that he had no authority and no one in the construction division had authority to do anything on the subject until it had received the Secretary of War's approval?—A. I have a recollection of such a conversation, but believe it was a decided number of days after this.

Q. And was it not a few days after that that you went again to the office of Col. Wright and told him that you had decided to go ahead, and if the project were not finally approved that you and Mr. Shank would split the expenses incurred fifty-fifty?—A. My recollection is that the only time I made a statement of that kind to Col. Wright was on the day the plans were signed.

Q. Was it before or after the approval of the plans and the signing of the proposed contract by Mr. Shank that you went with certain officers of the construction division to various other departments to obtain approval or recommendation of the project?—A. My recollection is that was a week or 10 days later.

Q. Then you believe it was some time during the first or second week in September that you made that visit to the other department?—A. Yes.

Q. Now, state what you did, the occasion for that visit, and what was done.—A. Col. Wright told me that week ends had been given by the War Industries Board. I asked him if there was anything I could do to be of assistance. He asked me if I cared to be a taxicab for him. I told him I would be at his office in a few minutes in my car. He left his office with a pile of papers relating to

this project, went across the street to the Surgeon General's Department, where Gen. Noble signed a paper approving the project.

Q. Did you see the document bearing the name of Gen. Noble?—A. I saw Gen. Noble sign his name.

Q. Were you present in the office when he signed his name?—A. I was.

Q. Were the plans included in those documents which you saw Col. Wright take with him, so far as you know?—A. My recollection is this pile of papers included the contract, specifications, and Col. Wright's report and numerous other papers.

Q. Are you still certain that this was subsequent to the identification of the plans and specifications and the signature of the contract—the proposed contract—by Mr. Shank?—A. Yes.

Q. Proceed. You first went to Gen. Noble's office and his signature was obtained to the document?—A. My recollection is that we then returned to Col. Wright's office and he signed the papers, representing Gen. Marshall. We then drove to the Mills Building, where Col. Wright went upstairs and secured a signature. He then went into the Army Building. I am not definite after coming out of which building he said Gen. Johnson had signed the papers. I remember asking who Gen. Johnson was and he said, "Gen. Johnson, in charge of the procurement division."

Q. You did not accompany Col. Wright into the Mills Building to see the officer sign it?—A. I did not.

Q. Then what was done in the State, War, and Navy Building?—A. My recollection is that he went in there and came out again; we made another trip down to Sixth and D Streets, but later in the afternoon we finally again arrived at the State, War, and Navy Building and went to Col. Whitson's room; that Col. Whitson and Col. Dickenson inquired how the matter had been moving along; that Col. Wright said it is up to you fellows; I have got everything else necessary; that Col. Whitson took the papers in to Gen. Jervay and 10 or 15 minutes later came out and said Gen. Jervay signed up; now there is only one more step. I asked him what that was. He said it was to get B. Crowell on the papers. I asked him if that was another long-drawn-out seance and he said, "No; this is where we get quick action; I will be back here in five minutes." He came back in about 15 minutes and said Mr. Crowell was going out for an early dinner, so the papers would not be signed until the following morning, but shortly after 9 o'clock the thing would be over.

Q. Were you on deck the next morning at 9 o'clock?—A. I was.

Q. Where?—A. At Col. Whitson's office, in the State, War, and Navy Building.

Q. Did you meet Col. Wright there?—A. I do not recollect.

Q. Well, what took place?—A. Col. Whitson asked me to come back later in the day. It was some time during the day that I heard from somebody that the clearance of the project had been withdrawn by the War Industries Board.

Q. What was the next step?—A. I could not understand why this clearance should be refused on the part of the War Industries Board, as I had understood all along that their position was to further any project which conserved labor and material resources, which this project certainly did. I went to Mr. Peck, of the War Industries Board, who told me that the matter had been put in the hands of Mr. Bush. Mr. Bush told me that he had put the matter in the hands of Mr. Otis. Mr. Otis told me he had gotten into communication with the Chicago representative of the War Industries Board, and now, as I think of it, these conversations with these gentlemen took place immediately before the final signing of the approval of the project, as above stated, and my recollection is that upon going to Mr. Crowell to inquire why the project had been held up, that he said the board which passed on contractors had not been consulted and that he had decided to send Col. Sterritt to Chicago to look over the project and to report the matter.

Q. Did you get that information from Secretary Crowell?—A. This may have been Secretary Crowell or his assistant, Mr. Hare, who made this statement to me.

Q. Is it your recollection, then, that you got that information the next morning after the papers had been left at Secretary Crowell's office?—A. No; I think a number of days elapsed.

Q. So that the matter had been approved by the War Industries Board, but the contractor had not been passed upon by the committee which was required to approve of such contractor?—A. I so understand.

Q. And that Col. Sterritt had been sent to Chicago to investigate that matter?—A. Yes, sir.

Q. Well, what further did you learn in respect to that?—A. About this time I was taking one of my regular trips to Chicago. Mr. Shank called me up and stated that Col. Wright and some other officer were going out to the Speedway, and asked me if I cared to go along. As I had not been out to the Speedway since the work started, I told him I would be very glad to. I went out there and met Col. Sterritt, Col. Wright, D. E. Felt, the Chicago representative of the War Industries Board, a doctor who was with him, whose name I do not recall; Mr. Shank—I do not recall whether Mr. Hines was there or not.

Q. What was the date of that visit?—A. I don't remember it.

Q. Sometime in September?—A. Yes.

Q. Had the work on the hospital progress at all at that time?—A. The foundations were all in and it was up about one story. I think the major portion of the building was up enough to give a clear indication of what the structure would be.

Q. Had the grand stand been demolished?—A. Practically all of it.

Q. Had the Speedway track been torn up to any extent?—A. That part in front of the hospital building itself and the back portion of the bleachers.

Q. What took place at the time of that visit?—A. The officers and Mr. Shank and Mr. Felt made, as far as I could see, a very careful investigation of the building and property, as well as the drainage. I spent most of my time talking to this doctor, explaining to him what my ideas had been. He seemed much impressed with the idea and to agree with me on the subject, and when I told him of the plans I had in mind for the securing of jobs, and horticultural, dairy, and agricultural facilities for the education of the wounded men, and also mentioned the planting of trees, he insisted that his friend Peterson, the well-known nurseryman of Chicago, be allowed to contribute at least that part of the project. That morning my office had been called up and asked if I would have cards left at the University Club for both Col. Wright and Sterritt, which was done. The next morning, Sunday, I was in the University Club when Col. Sterritt spoke to me and said that he had been sorry not to see me after viewing the property, as he thought it was due me to state that he was very favorably impressed with the project. He asked me to walk over to the La Salle Street station, where he was taking the "Century" train. On the way over we went into the matter in detail and he spoke very highly of it.

Q. When did you return to Washington?—A. I usually stay in Chicago four or five days when I go out there—probably two or three days after that.

Q. And when you returned, what was the situation in regard to the matter?—A. I called on Mr. Hare, Mr. Crowell's assistant, and was received by him with an utter lack of courtesy and treated as if I was trying to rob the Government, and got no information, except that he was carefully going over the project and in due course would pass on it.

Q. Were you ever informed what formal action, if any, was taken by Col. Sterritt, or his committee, relative to the approval of the contractor?—A. I do not care to answer that question.

Q. What is your reason for declining to answer that question?—A. Because I was told something in confidence by a friend of mine.

Q. Were you ever informed of the action from any source that you feel free to disclose?—A. Yes. Mr. Baruch told me that Col. Sterritt's report had been favorable.

Q. Was the matter then still pending in the office of Secretary Crowell?—A. Yes, sir.

Q. Did you make any efforts at that time to expedite action in that office?—A. I was constantly trying to find out why the project had been held up, as I could not conceive—what to me seemed the most meritorious and advantageous transaction for the Government, and which I had been told was desperately needed by the Surgeon General's Department—why it should be held up.

Q. What action, if any, did you take through other sources to ascertain the cause of the delay or to expedite action in regard to it?—A. Among others, I went to Mr. Creel and asked him to try and find out what the trouble was. He went to Mr. Crowell, and Mr. Hare was called in and told Mr. Creel, as I was informed, that he was making a very thorough investigation in the matter; that a man had been sent to Chicago to try and find other hospital space, and that the whole Chicago situation would have to be very carefully considered; that, among other things, they had in consideration the enlargement of the hospital

project at Fort Sheridan, the conversion of the Field Museum at Chicago for hospital purposes, and the taking over of some hotel.

Q. Was that substantially what was reported to you as a result of Mr. Creel's inquiry?—A. Yes, sir.

Q. What other action, if any, did you take?—A. I talked to various friends of mine here in Washington, and received a very decided impression that the Speedway hospital project, for some reason, was frowned on by Mr. Crowell and Mr. Hare, and possibly others, and that everything possible would be done to prevent its acceptance by the Government.

Q. Did you at or about that time confer with Senator Lewis in regard to the matter?—A. I talked to both Senator Lewis and Congressman McAndrews about it, explaining to them the nature of the project.

Q. And stating, I assume, the situation at that time and your impression in regard to the antagonism that had been developed in regard to the project?—A. Yes.

Q. Did you solicit their interest in regard to expediting consideration of the matter or in securing favorable action in regard to it?—A. I can not say I solicited their action, but I certainly told them that I felt that everybody who had the interests of the wounded soldiers, the administration, and our city at heart ought to get on the job.

Q. When were you informed of any definite action taken in regard to the matter?—A. In the meantime Mr. Hines had come on from Chicago and was giving constant attention to the matter, feeling as I did that our motives had been very much distorted and misunderstood, and in due course he called upon Mr. Hare and was informed that the matter had been disapproved, but that if he wished he could put in another proposal, giving a figure on a large number of additional buildings which had been added to the project—the Speedway Hospital project.

Q. Was that subsequently done?—A. That was done. They worked day and night to produce the figures at the earliest possible minute. Mr. Shank being here and having charge of that, and another proposal was put in, which Mr. Hare said would get immediate attention.

Q. Have you information in regard to that additional work that was provided for and how that changed the original plan as you have already described?—A. It provided nurses quarters—the documents are all of record and they speak for themselves.

Q. How did it change the financial aspect of the project?—A. My recollection is that it added very materially to the first proposal.

Q. Do you know whether formal estimates of the cost of construction were ever prepared by the Construction Division covering the cost of the project as originally contemplated?—A. Yes; I was so informed by Col. Wright.

Q. Have you personal knowledge of the computed cost of the project in accordance with the plans approved, and in asking you for those figures, I refer not to the amount which the Government was to pay, which I understand was limited to the sum of \$2,500,000, but to the estimated cost of the construction as so figured?—A. My recollection is that Col. Wright told me that the Government estimated the cost of the buildings, for which the plans were approved, was \$2,261,000.

Q. That is not including the valuation which might have been placed upon the land or the material on the ground which was to go with the project?—A. Yes.

Q. But for building alone?—A. Yes.

Q. In view of that reported estimate would you desire to change the opinion which you expressed yesterday, that Mr. Shank, in computing the cost at \$2,250,000, must have taken into consideration the possible salvage from existing structures?—A. I did not know the basis of Mr. Shank's computation and that thought merely occurred to me as I was answering the question. It is evident that at the time I first heard of Mr. Shank's figures I did not consider he had taken the salvage into consideration, for I was urging that on Mr. Hines in indicating to him what his undertaking would amount to in cash contribution.

Q. Did you first hear from Mr. Hines that the matter had been disapproved?—A. I did. I happened to be in Mr. Hines's room at the time, with Mr. Shank and Mr. Heinz. We all felt that it was only a matter of a few more hours when Mr. Hare would call Mr. Hines on the phone and say that the proposal had been accepted, and Mr. Heinz was called to the phone, and turned



away with a very blank expression, and said it has been disapproved. We were the most astonished crowd of men you ever saw.

Q. What has been done since that time?—A. Mr. Heinz again went to Mr. Hare and was asked to figure on additional buildings, and another proposal was made.

Q. Do I understand you that in addition to the 27 additional buildings that had already been considered?—A. Yes; still others were added, and another figure was put in, and the proposal was again changed.

Q. And what action, if any, has been taken upon that proposal?—A. The only information I have on that was Secretary Baker's statement that, reading from a paper which has been signed by Mr. Crowell, my assistant secretary, "the Fort Sheridan project has been approved, the Field Museum project has been approved, and the Speedway Hospital project has been disapproved."

Q. So it is your understanding that that is the present status of the whole matter?—A. Yes.

Q. When was the proposal first interjected into the matter that Mr. Hines or the Shank Co. would agree to repurchase the property at any time within eight years at a fixed price?—A. I think that was the second proposal that was made by the Shank Co., acting for Mr. Hines.

Q. Have you ever discussed with Mr. Hines the eventual disposition which he intended to make of the hospital if the Government availed of his offer to repurchase the same?—A. Yes; at length.

Q. Just state that.—A. He informs me that he has gone on record in Chicago to the effect that in the event the Government elects to resell the property to him that he will donate it to a certain institution to be used for nonsectarian restoration hospital purposes as a gift to the city of Chicago, in memory of his son, Lieut. Edward Hines, who was killed at the front in France.

Q. When did you first become acquainted with Mr. Shank?—A. I was introduced to him by Mr. Hines, after Mr. Hines had stated to me that he was interested in backing the project.

Q. Had you ever had any business dealings whatever with Mr. Shank?—A. No.

Q. Had you ever, previous to this transaction, had any business dealings with Mr. Hines?—A. No.

Q. Mr. Hines has not at any time held any obligations of yours?—A. Never.

Q. Has Mr. Hines ever been interested in any of your enterprises?—A. No.

Q. Did you have any anticipation of becoming interested in the Shank Co.?—A. No.

Q. It appears in connection with your testimony and in the records of the matter that at various times a reference is made by yourself or others to you as interested or representing the project—can you offer an explanation of that?—A. It is but natural that where we have talked so much about it, that we shall refer to ourselves as "we" in contradistinction to those in the Government service.

Q. But the full extent of your interest in the matter has been disclosed by your testimony?—A. Absolutely.

Q. And as I understand it, your interest was wholly of a sentimental character and desire for the establishment of the hospital, and pride in having a part in securing its establishment?—A. Yes. Going back to last spring, I was terribly upset that I was not in the uniform. I had talked to Mr. Newman about it, and he had said, "just keep your shirt on and sooner or later you will find some place where your ability will do its share in this war that is going on." Every one of my friends, I think, was bothered to death by my attitude and feeling. I was obsessed by it.

Q. And you regarded this as an enterprise representing your effort and contribution toward the war service?—A. Yes.

Q. Do you know whether the work of construction is still in progress?—A. My understanding is that it is.

Q. How do you account for the continuation of the work in view of the disapproval of the project and the fact that no contract has been made?—A. I feel that Mr. Hines, as well as I do, can not believe that the Government officials would go ahead with projects like the Field Museum and the temporary hospitals at Fort Sheridan, when the proper authorities realize the value and merit of this Speedway project. As the matter has progressed my impression is that Mr. Hines has become so aroused by the opposition to what he and everyone I have talked to, feels is the finest and most meritorious kind of a project, that he is determined to go through with it and complete the building no matter what happens.

Q. And from your conferences with Mr. Hines, do you believe it would be his intention in that case to make a gift to the Government or to the city of Chicago?—A. As far as I am concerned, I would do everything I could to see that Mr. Hines didn't do that after the way he has been treated. I think for a man to have stood for what he has and to be treated the way he has up to the time when Mr. Creel arranged the meeting with Secretary Baker, is shameful.

Q. When you first discussed this project with Mr. Hines, was it not your understanding that the buildings that you then considered and that had been figured on by Mr. Shank constituted a complete hospital unit?—A. It was, as I remember the question, of quarters for the attendants was brought up, and I stated that ample accommodations could be had in the attractive suburbs near this property.

Q. So you did not understand that buildings of the character of officers' quarters, nurses' quarters, laboratory, chapel, school buildings, and guardhouse were included in estimating the cost per bed of a hospital unit?—A. That was just what I understood; that while these buildings might be added to a hospital project, that their cost was not included in the price of \$1,234 per bed.

Q. So that your presentation of this matter to Mr. Hines, with a view to inducing him to undertake the project, presented the matter to him as a completed project, did it not?—A. Absolutely.

Q. So that when he originally undertook the matter he believed that his undertaking was to provide a completed hospital unit?—A. Yes.

Q. Was it not subsequently ascertained that buildings of the character which I have mentioned were customarily included as a part of a completed hospital unit?—A. Yes; but not at \$1,234 a bed.

Q. Is it your opinion that in these other projects such buildings have not been included in estimating the cost per bed?—A. Do you mean the more recent ones at Fort Sheridan and the Field Museum at Chicago?

Q. Those that were stated in your testimony you had learned of through Gen. Noble and upon which you base the figure of \$1,234 per bed cost?—A. My understanding still is that the cost per bed of \$1,234, as stated to me by Gen. Noble, did not include anything excepting what might be called the hospital buildings proper. I think you will find upon investigation that where projects are credited with costing so much per bed that in no instance is there the same amount of ventilation, sunlight, cubic feet per patient, and all the accessories which go for the successful operation of a hospital as compared with those at the Speedway Park Hospital, or which has as many buildings contemplated as are contemplated at the Speedway Park project; and I think you will further find that if a fair comparison was made, for instance, with the Field Museum and Fort Sheridan projects and the Speedway Park project, that the Speedway Park project is the most economical of all, particularly, in view of the fact that the temporary structures at Fort Sheridan are going to be scrapped in due course and will bring in not over 10 per cent of their original cost, and that everything providing for the hospital conversion of the Field Museum will be a total loss, and all the money expended on both of those projects will be practically a total loss, whereas the permanent fireproof buildings on the Speedway will be perpetuated to the community for hospital purposes.

Q. In view of the information which you originally received in respect to the cost per bed of temporary hospital structures, which you state did not include the many accessories and buildings contemplated for the Speedway structures, how can you explain the fact that the Speedway Hospital building was estimated to cost something less than a \$1,000 per bed for a permanent structure, whereas the temporary structure had customarily cost \$1,234 per bed?—A. I think it is only possible through the munificence of Mr. Hines.

Q. But it appears from computed cost prepared by the construction division that the cost of construction of this building and its accessories, as contemplated in the original contract prepared, amounted only to \$2,261,000, for a 2,500-bed structure, and thus without any references to the contribution of Mr. Hines, but considering only the bare cost of the structure and its equipment as provided.—A. I think it was the bare cost of the structure without equipment that they estimated.

Q. Is it not then apparent that these other hospital units upon which the cost of \$1,234 per bed was computed, must have included other buildings and structures?—A. Considering what I have learned about the probable cost of the temporary 2,500-bed project at Fort Sheridan, I should say that a figure of \$1,234 a bed ought to include the temporary construction—hospital construction proper—as well as the additional buildings. Reverting back to the original

statement made to me that hospitals would cost \$1,234 per bed, and my understanding of that was that it did not include buildings outside hospital buildings proper, I might say here that the apparent discrepancy between my estimate on the Fort Sheridan project and this figure of \$1,234 per bed, which I understood did not include anything but the hospital buildings proper, may come from economies which have been developed since that time, not alone in the laying out of the planning of the buildings, but the materials used in them.

Q. Is there any further explanation that occurs to you why a permanent structure, with a capacity of 2,500 beds, should cost less than the estimate which you had assumed to be the cost of a temporary structure of the same capacity.—A. None, excepting that the estimate of the temporary structure must have included a great many buildings that we did not include, and I am sure that Mr. Shank's preliminary figure of \$2,250,000 for the cost of these buildings did not include overhead charge, superintendents, or any profit; in other words, it was actual cost, less overhead expenses.

Q. How about the figure of \$2,261,000 prepared by the construction division?—A. It must have figured—

Maj. STOTESBURY (Interposing). Are you now of the opinion that the hospital unit project, such as you had in mind, in originally presenting the matter to Mr. Hines, should, and necessarily does, include the additional buildings that have been proposed since to be added to it? In view of that present understanding and Mr. Hines's original intention and willingness to contribute to a completed hospital unit, would you not now regard it as a proper supplement to his original undertaking, that, upon the same terms and for the same amount of Government payment, he undertake the completed project, including the additional buildings, so that the enterprise would represent a completed permanent hospital unit, as was understood by the Medical Department and Construction Division?—A. Yes; but with this exception—I think the project ought to be credited with the proper number of beds according to the number of cubic feet of air space as laid down, for instance, by the Chicago City ordinances, and a not very extravagant use of floor space for all the various rooms and diet kitchens, surgical departments, laboratories, etc., are in a hospital.

Q. But your view would necessitate a complete revision of the plans which were drawn to contemplate a unit for 2,500 beds, upon a basis that was then deemed acceptable. would it not?—A. Yes; excepting that the number of cubic feet per patient was spoken of as being very, very ample.

Q. But nevertheless it was the plans and specifications you prepared on a basis deemed desirable for a capacity of 2,500 beds, quite irrespective of what the city ordinances of the city of Chicago might have provided as mandatory?—A. Yes; that is so.

Q. So, that if it were Mr. Hines's desire at this time to contribute a completed fireproof hospital unit at a cost to the Government of \$2,500,000, which was his original thought and understanding, would it not be consistent with that desire and disposition of Mr. Hines for him now to undertake the construction of this completed unit which is estimated to cost \$3,253,475 on a basis of 2,500 beds at a Government cost of \$2,500,000?—A. I think it would be a splendid thing if Mr. Hines would open his heart to that extent, but as I originally got him to back the project on the supposition that he would make a contribution of about a million dollars, I feel that I—it would be great if we could get him to do it. I think it is clearly up to Mr. Hines's feeling in the matter; in other words, in asking Mr. Hines to make this additional contribution I would feel that I was asking him to contribute about two and one-half times what my original request from him was, and that it was largely my fault at the same time for presenting the picture of the completed thing to him incorrectly.

Q. Have you any knowledge in regard to the carrying charges of the Speedway property?—A. None.

Q. You have a general knowledge of the tax situation in Chicago, have you not?—A. Yes.

Q. Can you express any estimate of the probable charges of the property?—A. Including interest on value of \$1,750,000, at 5 per cent, I estimate the annual carrying charges would be about \$200,000.

Q. How is this amount computed?—A. Taxes, \$2,500; assessments, \$2,500; depreciation, \$100,000; insurance, \$5,000; care, \$1,500; interest, \$87,500; total, \$199,000, or approximately, as I stated, \$200,000.

Q. Do you know whether Mr. Hines was receiving any income from the property?—A. I know one big automobile race was run there sometime early this spring, so he probably received a good rental for that.

Q. What do you consider a fair estimate of the present value of the land itself without improvements of any character?—A. Assuming, for instance, it were to be sold and cut up for building purposes and factory sites—may I state, Major, what I would consider the best use to put this property and what would bring the best return?

Q. Answer my question and then state that in addition.—A. I consider the property worth at least \$1,500 an acre. On the other hand, considering the financial backing which Mr. Hines could readily use to the purpose to which this property should be put to get the best results from it which would be to establish a manufacturing district where the proprietors would erect buildings in accordance with the ideas of customers and lease the same to them with an option of purchase; on this basis, I am very confident that in a matter of five years this property would be selling on the basis of about \$8,000 an acre.

Q. Now, if the present structures upon the premises were to be demolished and sold outright, what salvage do you think could be fairly counted upon in money value?—A. My opinion is that the steel may be disposed of under the present marketing conditions at a fair price, deducting the cost of preparing it for sale, and that probably 50 per cent of the lumber on the property could be salvaged and sold at a liberal discount under the present marketing prices. It is difficult for me to estimate what would be.

Q. Do you think that under any conditions at the present time it would be possible to obtain more than \$750,000 for this property, as it stood before the hospital project was undertaken?—A. I had never thought of it in that way, excepting that I know that for a man of Mr. Hines's wealth to have made that kind of a sacrifice, particularly when there wasn't a cent owed on the property, would hardly conform with what I would do if I was in the same position.

Q. Don't you think that \$750,000, in view of the depreciation and carrying charges, which you stated, would have been a fair and reasonable price for that property and a fortunate disposition of it for Mr. Mines, who, I understand, had gotten into it against his will in having to take over securities?—A. I think it would depend largely upon what Mr. Hines's frame of mind was in regard to it. I know if I owned the property, Major, and had the proper financial backing, I would not for one instant think of selling it for anything like that.

Q. But, under your own suggestion of realization of value from the property you placed a time limit of 10 years upon accomplishment, and during that time the carrying charges would have amounted to a million dollars, and under those circumstances and the risk involved, would not \$750,000 have been a fair approximation of the value before this project was contemplated, and a favorable disposition of the property?—A. I think not. I think it would have been a ridiculous thing to do. This tract of land, located as it is, and with the facilities it has, couldn't be duplicated as manufacturing property near the city of Chicago. I have been operating in property—principally factory property; the property I operated in was 20 miles from Chicago, and I never sold a piece of ground for less than \$1,000 an acre, and it didn't compare to this.

Q. It appears that the original owners of the property paid approximately \$277,000 for this property. You are not aware of the conditions under which Mr. Hines took it over, are you?—A. No, I am not; and I will say this, that there might be reasons why being connected with the Speedway property and an automobile race track, why it may have appealed very strongly to Mr. Hines to have disposed of it for \$750,000.

Q. It was assumed, was it not, that by utilization of the buildings and structures upon the premises, there was to be a saving in the cost of construction of approximately \$500,000?—A. That was my idea, but on the other hand, now, the more I have learned about the project the more I am becoming convinced that if the final proposition is carried through that the property will be practically a total loss to Mr. Hines.

Q. But in presenting the matter to Mr. Hines you did suggest and it was practically accepted in the conference that it would be possible to save \$500,000 in the cost of construction by utilizing the materials on the premises?—A. I made that suggestion, but it wasn't accepted by Mr. Hines as being at all correct.

Q. If your estimate was correct, and if at the same time he was to receive from the Government \$250,000 over the cost of the building, it would have represented a payment to him of \$750,000 in cash, would it not?—A. Yes.

Q. So that the loss or contribution which you estimate was being made by Mr. Hines was based upon what he claimed to be his investment in the property

rather than upon the estimated value in the case of liquidation at that time?—  
A. Yes.

Q. And if your estimate was correct it presented a method by which, under the original proposition, Mr. Hines could have realized on his investment, or reputed investment of \$1,750,000 the sum of \$750,000?—A. Yes; that is so.

Q. Do you think that the matter was viewed in that light by Mr. Hines and that his acceptance of the undertaking was influenced by this consideration rather than by his willingness to donate to the Government the sum of \$1,000,000?—A. No, I do not; although I think he may have had in his mind he may not have been donating a million dollars but a half a million dollars.

Q. Was the matter in its original conception discussed by you with Mr. Hines as a business proposition in any such light?—A. No, sir. I thought that if a modern, fireproof hospital on a large tract of ground in a proper location could be obtained at a thousand dollars a bed, it was a splendid thing for the Government to do, instead of spending the same amount of money on a temporary, non-fireproof structure, which in due course would be scrapped and lost to the community.

Q. But if this hospital of the permanent character such as you contemplated was to cost the Government the sum of \$2,500,000, is it not inconceivable that they were paying any such price for a temporary hospital structure of similar dimensions and buildings?—A. I know that I was told they were paying more than that amount for temporary, nonfireproof structures, and I am since informed that they are still paying more than a thousand dollars a bed for that kind of structures, without including the cost of the ground.

Q. But there is no doubt about it that a permanent structure costs more than a temporary structure?—A. Absolutely not.

Q. So if the permanent structure would only cost \$2,261,000, a temporary structure may be built for much less than that sum, or ought to be built for much less, at least a third less, you would say?—A. I had rather not say.

Q. Are there any other matters that occur to you at this time in connection with the negotiations that have not been fully brought out by the questions put to you?—A. It occurs to me that during the production of the plans and the subsequent negotiations that have gone on, that through the conferences with Mr. Shank and Mr. Hines, that Mr. Hines has about concluded that his investment in the Speedway property will be a total loss to him. That is the impression that I now have in my mind if he goes ahead and carries out the last proposal to the Government.

Q. Is it your understanding that the last proposal is still open and under consideration?—A. That is my understanding.

Q. And is it also your understanding that at the present time such work as is going on, is being carried on wholly on the responsibility and risk of Mr. Hines and the Shank Co.?—A. I would not care to say. I would not want to answer that affirmatively.

Q. But you do want to say that there is no contract in existence in regard to that?—A. I don't understand that. I don't know how a lawyer looks at such a thing; that is not my business.

Supplemental examination of Mr. A. D. W. Erskine:

Q. In your original examination I do not recall that you referred to an interview which took place in the office of Mr. Newman, at which Mr. Trainor was present. Do you now recall such an interview?—A. I do.

Q. Can you recollect the date when that took place?—A. No.

Q. Can you recollect when it took place relative to your first interview with Mr. Hines, or was that the time you had your interview with Mr. Hines?—A. No; I had my interview with Mr. Hines, as I recollect, before that, and I think the first time that I met Mr. Shank, I am not sure whether it was then or before, but I know that a little while after that was when I had my first real sitting down with Shank, on the train coming from Chicago to Washington, and I was coming through the dining car and saw Shank and Wheelock, his architect, sitting there, and we talked about reconstruction hospitals from the time we met in the dining car practically till we got to Washington.

Q. Who was present at that conference in Mr. Newman's office at which Mr. Trainor was present?—A. Mr. Newman, I think Mr. Poppenheusen, Mr. Shank, I think Mr. Wheelock, Mr. Trainor.

Q. Tell me just what took place; in the first place, what was your occasion for going there? Who made the appointment for you?—A. I was called there

by Mr. Newman, as I understood, at Mr. Hines's request. Mr. Trainor made an extended talk about hospitals.

Q. Who other than Mr. Trainor talked at the meeting?—A. I talked for a short time after Mr. Trainor finished.

Q. What was the purpose of the meeting, so far as it was discussed?—A. To try and arrange the most satisfactory way for getting a reconstruction hospital for Chicago; at least that was my understanding.

Q. Was the Speedway project discussed at that time?—A. It was.

Q. Was any action taken as a result of the meeting?—A. Not as far as I was concerned.

Q. Did you remain there after the others had left?—A. I think so.

Q. Was it at that time that you talked with Mr. Newman about the matter of remuneration?—A. Mr. Newman may have made some suggestion to me about remuneration.

Q. What did you say to him?—A. I told him that I could not consider anything of the kind.

Q. Mr. Newman, in fact, referred to the matter several times to you, did he not?—A. Mr. Newman seemed to feel that it was very important that I should receive some sort of compensation.

Q. What was your attitude in regard to it?—A. That it was utterly impossible to consider it at all.

Q. And you adhere to that?—A. Absolutely.

Q. How long have you known Trainor?—A. The first time I ever saw him to speak to him was that day.

Q. Do you know his partner, Clark?—A. Not at all.

Q. Did Trainor ever talk to you in any way about getting into this transaction as agent?—A. No.

Q. Did he ever talk to you about consideration of any sort?—A. No.

Q. Did you ever know whether Newman arranged that first meeting at his office or whether Mr. Trainor or some one else had suggested it?—A. I do not know that.

Q. But you were invited to go there, as you recollect, by Mr. Newman?—A. I was.

Q. As you recollect the incident, what appeared to be the object of Mr. Trainor's presentation of the matter? How did you size it up?—A. To sum up, Mr. Hines asked me to go there to meet Mr. Shanks and said that he would arrange for the meeting with Mr. Shanks in Mr. Newman's office. I went there expecting to see Mr. Shanks alone, and there were quite a number of people there. I thought I was going to have a chance to arrange with Mr. Shanks some method for getting ahead with the idea of building a reconstruction hospital in Chicago; but Mr. Trainor took the floor and kept it for such a length of time that although I was glad to see that he seemed to be in favor of the Speedway location for a hospital, I felt that no special result had come from the meeting.

#### HINES, EXHIBIT 2.

NOVEMBER 1, 1918.

Record of the Examination of Mr. Edward Hines, taken November 1-2, 1918.

Mr. Hines, being first duly sworn by the inspector, was interrogated as follows:

Q. What is your permanent residence, Mr. Hines?—A. Chicago, Ill.

Q. And your business?—A. Manufacturing, wholesaling, and retailing lumber in various parts of the United States.

Q. What is your interest in the property referred to as the "Speedway" in Chicago?—A. I own individually practically twelve-thirteenths of the bonds of the Speedway, known as the Park Association.

Q. In order that I may be in a position to fully determine the motives which may have interested the parties in the negotiations under consideration, I wish you would state the circumstances under which you became interested in this Speedway Park Association and acquired your interest in it; and, if you can, so state what it represents in the way of an investment.—A. Approximately three years ago I was in California, and during my absence some of the officers of our company rather exceeded their authority in investing in the Speedway Park in the following manner: The project was launched by several hundred Chicago gentlemen for an automobile race track, a golf link,

and a general recreation park. They approached us to sell them the lumber, which was to amount to close around a half million dollars in round figures. Before leaving for California, in a conference with our vice president and secretary, I questioned the exact credit of the company as then financed and stated that inasmuch as the lumber would have to be delivered in 30 days in order to insure the race that was then advertised to take place upon a certain date, that, in a measure, we would be obliged to give them all the credit before any of the bills became due and that I would not wish to extend an amount to exceed \$200,000 on the property as then financed. They had then sold, as I understood, something over \$300,000 of stock, and the management was very sanguine of having no difficulty in financing the proposition, and our officers became rather intoxicated with the idea of the project. During my absence they extended the property the entire credit. A hitch occurred in the financial arrangements and it looked as if unless certain other moneys were furnished or some guaranties were made that the track could not be completed in time for this race, which had been widely advertised, and according to the rules governing Speedway races throughout the United States a date of later date could not be obtained; hence our people in rather a moral way guaranteed several hundred thousand dollars' worth of plumbing, I think, sewerage, and some other accessories. The management did not wish to sell as much stock as they should have sold to take care of the project, feeling that by selling less stock those who were interested would have a greater share in the profits. In the meantime I returned from California and found that we had practically guaranteed, morally if not legally, the above extra money. Doing a very large business in Chicago, and never having had our financial credit questioned, and this occurring during my absence, had I gone on and refused to pay all the bills it might have placed our minor officers and the company in an embarrassing position, which action possibly might have been criticized, although, legally, our attorneys advised me that neither I nor the company were responsible. A question of this kind had occurred during the World's Fair year in a large enterprise known as the "Spectarium," in which Mr. Lyman Gage had the same experience. It went into the hands of a receiver, was not completed on time, and resulted in a large financial loss to many stockholders. Mr. Gage and the bank both were criticized for years. I felt that, even to the extent of losing a couple of hundred thousand dollars, our people had been at least careless; hence went ahead and paid the guaranties alleged and took in payment the bonds of the company. I then concluded to go ahead and put the park in the best shape of any park in the United States. Its history, until our entry into the war, has been successful. It had one handicap, viz, the roads leading to it at that time were not in as good condition as was necessary to give quick access to the park; but all of these have since been macadamized, and first-class roads from several directions lead to the grounds. The park has had a wonderful record in the way of never having had an accident, and also, I believe, the fastest time of any park in the United States. It was put up in the best possible manner, and no money was spared to make it perfect, both directly as a race track and improvement of the grounds—sewerage, water, etc. The proposition has cost, in round figures, close around \$1,800,000, at a time when things were cheaper than now. First, the ground was procured four years ago, prior to my having any connection with the matter in any form, in various parcels, averaging about \$900 an acre, before any paved streets were to it or any improvements of any kind. Every improvement on the track was paid for in cash—no commissions or wheels within wheels to increase the cost—and was at a time when labor was about 50 per cent less than the present time; material from 60 to 100 per cent less than at the present time—both steel and lumber, also plumbing goods and other things—hence the present investment on the basis of present costs would amount to considerably more than \$1,800,000.

Q. When was the track completed?—A. The track was completed for the race advertised some time in June, 1915, I think, and has held a number of races since. Since the entry of our country into the war there has been a decided shortage in foreign automobiles and foreign drivers, and the project this year has been at a very low ebb on that account; but the property was all intact, insured, watchmen employed, surrounded by tight board-matched fence, 12 feet high, I think, and built in the best possible manner for permanency. During this period all the money that the property made has been put in the property in further improvements until it was perfect for the purpose designed. The improvements were all of the most substantial character, as evidenced by

one example—some 40 steel garages, each one being separate and in itself complete.

Q. Did you change the name of the company after acquiring control?—A. No.

Q. It is still known as the Speedway Co.?—A. Yes.

Q. What is Mr. Shanks's interest in the company?—A. Mr. Shanks has approximately one-thirteenth of the bonds—Mr. Shanks and Mr. Foster having the entire management of the property. Messrs. Shanks & Co. built the entire structure.

Q. Did the Shank Co. acquire its interest by accepting bonds for its portion or compensation?—A. To the best of my recollection, they acquired some of the bonds by a small proportion of the work and, I think, by paying some money. They had some interest in it from the start, I think. I had no interest until it was acquired in the manner stated. The original stockholders and management kept entire control of the project until last fall, when the floating indebtedness of the stockholders amounted to something between \$170,000 and \$180,000, and the creditors demanded payment. I felt that I had put in sufficient money under our moral guarantee and was in no way responsible, morally or legally, to pay this one hundred and eighty and odd thousand dollars of the floating indebtedness; but my name had been identified indirectly with the project, naturally, having so much financial interest in it in the way of bonds, and I did not wish to have anything occur in the way of a receivership on account of my connection, if it could be avoided. I therefore had the Speedway Co.'s attorney, Mr. John Campbell, and my personal attorney, Mr. Bobb, call a meeting of all the stockholders by public notice, explaining the condition of the indebtedness and advising that something must be done toward paying the indebtedness, which was a stock liability. The stockholders were given full information at the meeting, told of the condition and amount of indebtedness in the way of bonds and floating indebtedness, and asked to do something toward relieving the floating indebtedness or a receivership would naturally follow. They held some conferences, and a committee decided that they would recommend that if I would pay all of the floating indebtedness and clear the project of any indebtedness, they would relinquish their stock, as they did not wish to put any more money in, considering the bonded indebtedness. The proposition was laid before me, and I decided to clear up the project of any indebtedness in order that no one in Chicago could complain of not being paid. This indebtedness was of all kinds, even including newspaper advertisements. The management had been very sanguine—that is, being a great success—and had expended considerable more money than what those directly interested knew about until our entrance into the war. Being unable to have the successful races that had occurred prior to our entrance into the war, there was no way of raising the funds unless as above described. I therefore empowered Mr. Bobbs, my personal lawyer, to clean up all of the indebtedness, and all the stock was turned over, leaving the ownership in the bonds to the extent of Messrs. Shank & Co. having about one-thirteenth and myself the balance.

Q. Is your ownership of the bonds and stock personal or is it represented by a company or association?—A. One of the reasons why I own it all personally is that our company got at this while I was away, and I felt rather a moral obligation, having put so much money into an entirely outside project for purely personal reasons. Some of my officers having very minor stock interests exceeded their authority in the guarantee above referred, and in order to have pleasant feelings among all of our stockholders, several of whom were not located in Chicago and were connected with business of large affairs where matters were conducted on very strict business principles, I proposed at our last annual meeting that I would take from the company their interest, so that they would not lose in the proposition nor have any connection with an enterprise foreign to our business, and which, strictly speaking, we had no right to engage in.

Q. You did not feel justified in the assumption of an obligation, which, as you felt, was not a legal obligation, and put an added responsibility upon the stockholders of your own company?—A. No. In our 25 years of experience we have never had any differences in our company, and considering how large an interest I had in the company—something over 60 per cent—I did not wish to give this as an opportunity for any feeling to arise. Therefore the entire interest is held, as above stated, by myself personally to the extent of about twelve-thirteenths and Messrs. Shank & Co. about one-thirteenth.



Q. Can you state for my information the approximate cost of carrying charges of the property?—A. The company has no indebtedness whatsoever. The taxes were about \$12,000 a year; the insurance, ———; and the two watchmen that were employed cost probably \$1,500 a year.

Q. So that is practically all the outlay, save the interest on the amount invested?—A. Yes.

Q. And that, you say, approximates the sum of \$1,800,000? Do you think the rise in values since the time of construction has more than offset any depreciation in material during the same period?—A. There has been practically no depreciation during this period, but there has been a great increase in value of everything connected with the enterprise, which may be roughly estimated as follows: I am informed the steel in it would cost about 100 per cent more; the sewerage, of which there is some 22 miles, would cost about 75 per cent more; water, plumbing, etc., about 75 per cent more; the lumber in it would cost from 40 to 50 per cent more. The land would be a question of judgment, but with the boulevards leading right to it and with the Belt Line Railroad leading into it and it being in one compact parcel of 320 acres, it would, in my judgment, be worth considerably more than what it cost, and, in my judgment, I give the experience I have had in buying some 25 different parcels of land in and around Chicago for manufacturing purposes.

Q. Has there been no depreciation in the lumber itself which entered into the construction?—A. For the purpose for which the lumber was in the contract I would not consider there was any deterioration; if taken out and attempted to use over again, in my judgment there would be some depreciation. The majority of all the heavy material was long leaf yellow pine, and there would be no depreciation in that, as it lasts a good many years. There would be some depreciation in what is known as the tracks 2 by 4, as they are made from very small timber, more or less sap defective, and, naturally, the weather would affect them to some extent. The plumbing goods all were of the highest order, and upon investigation lately find that they could be taken out and sold for considerably more than what they cost us. The only thing that would be classed as depreciated would be a portion of the lumber in it.

Q. You did not, however, go into the project as an investment, nor did you assume the ownership from the company with any idea of personal advantage?—A. I did not.

Q. Did you have any objection to having your name connected with an enterprise of that character?—A. I did not, for the reason that the constitution and by-laws prescribed it to be golf links, country club, and racing without any betting, and was always conducted upon the highest order.

Q. Was Mr. Shank anxious to dispose of his interest in the property, so far as you knew?—A. Mr. Shank was not anxious to dispose of his interest in the property, giving as a reason that his line of business has been the building of large warehouses and renting them for a number of years. He had been very familiar with this class of work, and very successful, and cited to me the history of what is known as the central manufacturing district in Chicago, which has conducted a business of locating manufacturers on the grounds and building a modern factory building especially suited for their purposes on a basis of a rental with an option to purchase. He showed me a contract which they had secured with the Government for a large warehouse, the ground being \$1.50 a square foot, and the Government, I believe, advancing a substantial amount on the building; also, expanding the numerous commercial enterprises on this ground at from \$1.25 to \$1.75 a square foot. This district is practically filled with very modern factories of various descriptions. Upon a careful analysis of the outlying districts surrounding Chicago, he said he could not locate another piece of ground of nearly so large an area, having the same railroad facilities, that could be utilized for a purpose of this kind. He said he had been talking to Mr. Poronto, the general manager of this enterprise, who stated that as soon as this war was over there would be an active demand for increased factory facilities in and around Chicago, and that it would be a very opportune time for launching this piece of ground in the same way as the central manufacturing district had been successful in doing. He was, therefore, against disposing of the ground at this time, but said he would do whatever I suggested. As a basis he figured out that at \$1,500 an acre for the land, which he classed as what it was worth now, that this would only amount to about 5 cents a square foot. He compared that with what had been paid to the Central Manufacturing Co., which, he said, had no better switching facilities and was but little closer to the down-town district. He figured it at 20 cents a square foot, which would be a very nominal amount and would net over \$8,000 an acre.

Q. What was the total acreage included in the plot?—A. The total acreage was approximately 320 acres. In my experience I have purchased about 25 different lumber-yard sites in Chicago adjoining railroad facilities and side-tracks and have paid 20 cents and over per square foot for ground as far from the courthouse as this ground. The natural growth of the city is westward, leading to this ground, and is immediately surrounded by ideal suburbs of something over 100,000 inhabitants—for instance, Maywood commences right across the street and Riverside within a mile.

Q. Did you share Mr. Shank's opinion substantially in respect to the inherent value of the property?—A. I at first thought Mr. Shank was a little bit too optimistic in his representations, but the more I looked into the matter the more I felt he was reasonably correct, of course all this depending on how soon the war would be over and business assume its normal conditions. But in a personal way I wanted to get out of the Speedway, on account of my wife, who rather felt that I should not be connected with a thing of this kind, and it is entirely foreign to any other business that I am connected with.

Q. Who was it that initiated the efforts to dispose of the property to the Ordnance Department?—A. Sometime ago—last fall it was—Mr. Shank was in Washington and negotiated the rental of several new buildings for the Ordnance Medical Department to the Government and erected several large storage buildings on ground that he owned. While in Washington he had learned that the Government was contemplating securing some 400 acres of ground near Chicago, for what they called a group of warehouses. He then asked me what price I would consider selling the ground at, and, I think, everything but the lumber; that is, the sewerage, water, fence, etc., but, as I recollect, we were to have the lumber and steel, simply giving the Government the land, with the other staple improvements. I asked his idea, and he said not less than a million and a quarter. I told him to go ahead and negotiate, and that it would be entirely satisfactory to me. I believe he gave a real estate firm, known as Hodge & Chandler, who had negotiated some matters in Washington, a price on this at, I think, a million and a quarter. Mr. Shank made several trips to Washington in regard to this. I had nothing whatever to do with it, and saw no one in connection with it. He informed me that the Government decided that they would not invest in any one spot on so large a purchase of land, but were going to scatter their warehouses. Therefore I decided not to give favorable consideration to this project. Upon his return from his last visit to Washington he informed me that while here he had met a Col. Magnusson, of the Medical Department, who said that the Government was going to erect some very large hospitals; that he had known of this piece of ground, having come from Chicago, and that he thought it would be an ideal spot for a hospital building. I never met the gentleman in question myself. That, I think, was the beginning of Mr. Shank's idea of a hospital development. He returned to Chicago and said that he was going to develop, with Wheelock & Shank, of Chicago, architects, one of which is his son, an idea which he had in his mind of a 50-foot-in-width building, wherein the entire grand-stand structure would be utilized, leaving the steel in place, which would result, as he figured it, in quite a saving in the new building, which was to be three stories high, so that the present roof would not be changed. He gave me a rough sketch of it, and it looked like something that could be worked out in the way of a very advantageous structure under a new idea. I offered no objection, and he proceeded to develop a rough sketch, and said he was going to Washington, as I understood, to see the Surgical Department.

Q. So that the first suggestion of converting the old Speedway stand into a hospital originated with Mr. Shank?—A. Yes.

Q. Mr. Newman is your attorney, too, is he not?—A. Mr. Newman is our company's attorney.

Q. Did he have any reason to know of your desire to get rid of this Speedway property?—A. From about the 1st of February to about the 1st of April of this year I was engaged with Mr. Newman and two of his associates, with some lawyers from Mississippi, Wisconsin, and Minnesota, in changing our entire corporation affairs—changing our Mississippi, Wisconsin, and Minnesota corporations from corporations to trusteeships, and was in his office, in and out, for nearly 90 days. During that period, just when nor how I can not recollect. I spoke to Mr. Newman about Mr. Shank's idea of converting the grand stand out there into a new-idea hospital, but that he could get very little encouragement from the officials at Washington, and that this was to be a fireproof

hospital. Mr. Newman at one of these interviews stated that he had a client a Mr. Erskine, who had given the fireproof hospital question a good deal of thought, and that he would like to have us meet. I told him that I would be very glad to have Mr. Shank meet him, and I think that I suggested to Mr. Shank that he see Mr. Erskine. I do not believe I was present at the first one or two meetings.

Q. When did you have your first interview with Mr. Erskine?—A. I think I met Mr. Erskine some time in July of this year. Mr. Shank telephoned me one day that there was a number of doctors going out to the Speedway, and some real estate men of the Government, together with Mr. Erskine, and asked me if I would go out with them. I told him I could not go as, if I remember correctly I was just leaving the city. He mentioned a Gen. Noble and Col. Billings whom I have known for 25 years and had been my family doctor, but whom I have never up to this time spoken to on this subject. He also mentioned Mr. Erskine and a Mr. Trainer—I think that was all—and stated they had just telephoned him asking for a pass to go out there on an inspection tour of the grounds and surroundings and that he had decided to go out with them. As I understood from him, they had come on from Washington to attend an annual medical convention in the city of Chicago and while there wanted to go over this ground. I did not get to meet any of the gentlemen.

Q. Had any proposition at that time, substantially as consummated, been made to the Medical Department or to anyone in regard to the construction of a hospital?—A. No; I think not. It was just this thing Shank was trying to work up.

Q. Who first talked to you in regard to the proposed construction of a complete hospital unit upon the Speedway property?—A. Mr. Shank.

Q. And upon what basis?—A. He came down to Washington within a few days after those doctors were there, and when he got back he told me that he met Mr. Erskine here, who, if I recollect distinctly, was with one or more doctors, and he gave them a rough idea of what he had in mind. Then, I think through Mr. Erskine, he obtained an introduction to certain branches of the Government, where he had an opportunity to go into the subject more fully. I attended none of these conferences, and my recollection is just incidental. At that time there was nothing definite and I did not give the matter very much attention. I was very pushed on matters in regard to lumber business, which called me to Washington numerous times about that period.

Q. Was the proposition, as reported to you by Mr. Shank, substantially along the lines finally consummated by the proposed contract?—A. Well, that was after a number of interviews. Mr. Shank then informed me that at one of the interviews at which there were a number of doctors present—Government officers—they had informed him that if he could work out a plan of the hospital—he at that time had some rough plans and photographs—whereby a certain unit would cost a thousand dollars per bed that the Government would entertain the erection of a fireproof hospital in preference to frame structures or the taking over of buildings, as then contemplated.

Q. Mr. Shank was the first one to talk with you on that proposition?—A. Yes.

Q. And did you come to any agreement or understanding with him in regard to that?—A. No. His figures at that time, on the basis of what we had decided the land and improvements were worth, placed the cost of the contemplated hospital at over \$3,000,000, and he did not entertain favorably such an idea, and said he preferred to hold our property and wait later developments.

Q. Was the matter then dropped, so far as you know?—A. Shortly after that Mr. Erskine saw me, I think, in Chicago; just how that came about, I can not recollect, and stated that he had become intensely interested in this fireproof hospital for returned soldiers; that he had been in consultation with a Col. Billings, of Chicago, and other officers of the surgical department, and he had also met Mr. Shank and gone over with him the idea which Mr. Shank had, and which, he said, appealed to him very much. He told me that he had been out to the Speedway several times with the doctors and was very familiar with the land and surroundings. He then stated that he knew of some Chicago gentlemen who were contemplating subscribing to a fund for the erection of a large hospital on what was known as the Cub Park in Chicago, for, I think he said, a 16-story building. That Mr. Armour, one of our directors of the bank, had said he would subscribe a certain amount, the building to be named after his daughter, I think. Mr. Patton, who is my next-door neighbor, would subscribe something, and one or two others whom I have forgotten; also, that the State of Illinois would subscribe something, and, I think, the Northwestern University would subscribe something,

but that the Government had disapproved of the idea, claiming that the location was entirely wrong, and the character of the building, or something, did not appeal to them. He then stated that he understood my son had died in France, and asked me if I would consider subscribing in a liberal way to the hospital in honor of his memory, in the Speedway tract along the lines of Mr. Shank's hospital plan. Mrs. Hines and I had discussed doing something to perpetuate Edward's name, but had come to no definite conclusion. I told him I would think the matter over, and would talk to Mrs. Hines about it. The subject appealed to her immensely. I then saw Mr. Erskine at Mr. Newman's office, and he said he had since learned that according to Government regulations it would be impossible to name a hospital after any individual. I was somewhat disappointed at this. He then said he had given a lot of his time to this project, and seemed to be very earnest in his activities. He said, why not carry out the spirit of a thing and give our soldiers a fireproof structure in place of the light, frame, inflammable buildings which were contemplated, and figured over with Mr. Shank wherein the difference occurred, and what could be done on the subject. I saw Mr. Shank, and he gave me a rough idea of what the buildings would cost. I said to Mr. Shank that I was very much in earnest in trying to influence the Government to have a fireproof hospital, and said it seemed almost criminal to have the boys, who had risked their all, to come home and be placed in a frame structure. He said it also appealed to him, as he had two sons, I think, in France. I explained to him how agitated Mrs. Hines and I had been while Edward was in the hospital for 90 days, fearing that he was possibly in a frame building, and how much relieved we felt later upon learning that it was fireproof. He then gave me an idea of how the Government contemplated erecting the frame structures. As I had furnished all the lumber for the cantonment at Rockford, and practically all of it for Battle Creek and Fort Sheridan, I was personally conversant of the character of the structure, and deemed it a most unwise course to pursue for sick or wounded men. I said to Mr. Shank that I felt here was an opportunity where I could do something of real service in honor of Edward, and that while I would like to have it named after him, yet the more I got into the subject, the more I felt like doing the proper thing, although, from his figures, it would involve a substantial sacrifice.

He finally said to me, "Mr. Hines, considering the way you put this matter to me, I will do this work for nothing, and any sacrifice you want to make on the bonds I will stand my proportion," which I thought was very nice, and so expressed myself. I asked him if he had a definite proposition from the Government of \$1,000 a bed, and he said he had. He went on and showed me in a rough way about where it would land, and, to my recollection, he figured that to complete the plans and specifications as outlined a sale of the land and all of the personal property would net us something about \$400,000, if his figures were correct, but, as he said, in all these matters, and particularly with labor as it is now, I might have to stand a further decrease. I told him to go ahead and complete the deal, and it would be all right and entirely satisfactory to me. I then saw Mr. Erskine and explained to him in detail my talk with Mr. Shank, and he seemed to be very much pleased at the outcome and stated that he was going on to Washington with Mr. Shank and thought this proposition would be immediately accepted by the Government; that it was very important to have this work done before cold weather; and that no doubt a contract had to be executed and wanted to know who I would have to look after the details. I told him that we would speak to Mr. Newman; and if I recollect right, we called Mr. Newman in and told him the whole transaction, and we all thought at that time from Mr. Erskine's and Mr. Shank's description that the matter would go through. I asked Mr. Newman to go down with Mr. Shank to see about preparing a contract or negotiating the legal features of the transaction. Mr. Newman and Mr. Shank then proceeded to Washington.

Q. Before going further with your outline, as you recollect it, just what the proposition was that was finally given your approval—what it represented in contribution on your part?—A. As I figured from Mr. Shank's representation of what the cost would be—I, of course, had no means of satisfying myself and took his word for it—Mr. Shank and I would get out of our Speedway securities in the neighborhood of \$400,000, making a sacrifice of something over \$1,000,000 on the basis of what the property cost us. If we were to figure up what the land and improvements are worth now, another seven or eight hundred thousand dollars could be easily added.

Q. I would like to analyze that a little further in order to answer any question that may arise in regard to it. What did Mr. Shank state to you would be

the amount received from the Government?—A. He said that he would receive from the Government two and one-half million dollars for everything.

Q. What was his estimate of the cost of the building?—A. If I recollect right, there were to be a group of buildings, five in number, I think, which he figured would cost about \$2,000,000.

Q. Are you sure that that item was \$2,000,000 and not \$2,250,000?—A. No; it was something a little over but not two and a half million.

Q. So that there would have been a leeway on that item of \$500,000?—A. No; the figure was about \$400,000.

Q. So that is what you had in mind—the difference of what you received from the Government and the natural cost of the construction of the building?—A. Yes; but he added this, that labor was not doing the ordinary day's work, and it looked as if his figures might exceed that.

Q. Did this estimated \$2,100,000 include the utilization of such material as was available upon the premises?—A. A part of this. That was a rather rough estimate, because he said he had not been able to get at the sizes, or how much of the material on hand he could utilize, and he also said that since giving the figure the Government had changed the plans and specifications to some extent and he could not utilize as much of the structure as his figures contemplated.

Q. But to the extent that he found it available he had considered the use of that material in arriving at his estimate of \$2,100,000?—A. To some extent, I think; but, as he explained, the building being of concrete, brick, and steel, with no lumber in it except what he classed as form lumber, that there could not be much salvage in that, but that what lumber was left would be salvage to whatever extent it could be utilized.

Q. And, of course, the steel and lumber that was not used in this construction was to be availed of by you and either sold or disposed of or realized upon to the fullest extent possible?—A. Yes. He said that when the lumber was put in this race track the majority of it was cut to odd lengths and widths to fit in certain places, and, even if there was no decay in it, there would be a loss on account of being cut to odd widths and lengths, and that he could not tell what salvage there would be on that account.

Q. Was there any attempt to estimate the amount of salvage?—A. There was not.

Q. Was it not suggested that there would be a salvage amounting to \$500,000?—A. There was no such figure suggested at all.

Q. And you did not take that into consideration?—A. I did not. In fact, he had no figures of any salvage, but just gave me in rough the above proposition.

Q. So that the proposition to which you gave acquiescence was a structure or structures which were to be turned over to the Government, including 320 acres of land, for the sum of \$2,500,000?—A. Yes.

Q. Which for the structure alone would cost \$2,100,000?—A. According to Mr. Shank's figures. Mr. Newman learned somewhere here that the construction department's figure was \$2,300,000 for the bare structures, and that the figures of an architect employed by the Government were \$2,250,000, but who stated that he felt his figures were on the inside and the actual figures would be much larger. Mr. Newman sent me a telegram which read, in a general way, that he thought Mr. Shank's figures were not conservative, and that the proposition, if it went on, would not net us anything for our property. He called me on a long-distance telephone and told me the same thing, practically. I sent word back that I would rely entirely upon Mr. Shank; that we had discussed the matter, and that I would go the limit with Mr. Shank in putting up this fireproof hospital.

Q. You are quite certain that to the extent that it was possible to estimate upon it, Mr. Shank had considered in his figures of \$2,100,000 the use of such material as was available on the premises?—A. Yes; he explained that he did, and said it would cost more if he would have to get all new material.

Q. There would have been, then, in addition to the \$400,000, such amount as might be received from the sale or other disposition of what material was not utilized in the structure?—A. Yes; absolutely, except the equipment and material underground; that was to remain as part of the transfer to the Government. To make it plain, in addition to the \$400,000, which Mr. Shank figured would accrue to us, there was whatever salvage could be obtained from the balance of the lumber on hand. The lumber was the only salvage. Everything else has accrued, under the contract, to the Government, and the lumber salvage, owing to its being cut to odd lengths, without taking into account any waste on account of decay or wear and tear, was slight.

Q. Had you any knowledge or information as to the basis upon which the \$2,500,000, which was to be the amount paid by the Government, was estimated or computed?—A. Just in a rough way—that is, what Mr. Shank explained to me. The Government made a proposition, and would not pay over \$2,500,000 for the group of buildings—that is, at the rate of \$1,000 a bed.

Q. They figured that the group would hold 2,500 beds?—A. Mr. Shanks explained to me that, figuring on the basis of the Chicago building ordinances, that the number of square feet of the building that was being erected could hold over 3,000 beds—something, I think, he said of about 3,200 beds.

Q. To what extent, then, Mr. Hines, did you feel that in giving approval to the proposition you were contributing to the Government?—A. I felt that Mr. Shank and I were contributing close to a million dollars to the Government; on the basis of what a piece of land of this number of acres anywhere within the same radius of Chicago, with the same improvements, all of which were necessary, a million dollars would be conservative, and on the basis of what this cost us it would be over a million dollars.

Q. In estimating the amount of your contribution, was it ever considered according to the method which I will now indicate—that your investment, representing approximately \$1,750,000, and with the cost of building, as finally estimated, approximately \$2,250,000; the amount to be received from the Government \$2,500,000, thereby giving you a difference of \$250,000, and the estimated value of salvage in material and property, \$500,000, making a sum of \$750,000, which, deducted from the amount of value of your investment, left approximately \$1,000,000?—A. There was no such figures ever discussed or contemplated by either me or Mr. Shank, because the salvage consisted only in the lumber. Under present conditions there was no building going on in Chicago, practically, except what the Government was doing, and the lumber being of odd sizes, together with the loss of taking it down, decay, and the waste of cutting it, made the salvage a very small item. Of course, if the lumber could all be utilized right on that ground for buildings to be erected, there would be more salvage.

Q. To what extent is Mr. Erskine responsible or is to be credited with the persuasion of yourself to undertake this enterprise as a memorial to your son?—A. A very large proportion of the thought came to me from Mr. Erskine, and he was very urgent in presenting the matter to me—in a courteous way, of course.

Q. Did Mr. Erskine attempt to represent the financial end of it to you and what it would represent to you in the way of money?—A. No; except this: I had never met Mr. Erskine until, I think it was the middle of July, but I was surprised and impressed with his knowledge of general building. When I first met him I thought he was somehow connected with the Government, as Mr. Shank told me he had been with these doctors several times. I took him to be more of a professional man until he began to discuss the building of the hospital and the utilization of the material. Then I found that he was very familiar with engineering, building, and things along lines of which I have been engaged for many years. I then asked him where he had gained his experience, and he told me at pretty full length of his building experience, which, of course, showed me that he had a lot of building experience along various lines. He seemed to be anxious to convince me that Shank could go ahead with this work at what he claimed he could build it for. I saw Mr. Erskine in Washington with Mr. Shank shortly after getting Mr. Newman's telegram and showed it or told the substance of it to them. He said, or tried to make me feel that we could utilize more of the material on hand than what I felt we could, and was very intent on doing all he could to have the general scheme go through. He seemed to be somewhat of a father of the proposition with Mr. Shank.

Q. Was the amount of a million dollars mentioned between you and Mr. Erskine?—A. No; in no shape, form, or manner. The discussion of figures was largely between what Mr. Shank thought he could do the work for and what had become known to me in some way through Mr. Newman of the Government's estimate of \$2,300,000 on the structure, and Mr. Newman was very anxious of Mr. Shank's putting up a structure where we would not get anything whatever out of the property.

Q. Did you understand that the amount of the payment to be received from the Government for or on account of such structure represented the usual cost of a temporary structure, not fireproof, per bed?—A. I think that both Mr. Shank and Mr. Erskine told me that Gen. Noble told them that the Government had some figures at which a bed would cost them about \$1,200 in the frame structure.

Q. Can you explain, then, Mr. Hines, how it appeared possible that a unit comprising the same elements that were ordinarily included in a hospital of temporary character, on which they estimated the cost per bed at \$1,200, could be built of permanent, fireproof construction for something less than eight or nine hundred dollars per bed, as would be indicated from the figures prepared by Mr. Shank?—A. I discussed that question pretty fully with Mr. Shank, and his reply, as near as I can recollect, was as follows: He was to utilize all the steel in the structure—the foundations. This structure was four stories high; therefore he would only have one roof. The Government structures were none of them over two stories. He would save on that account—the roof on the entire group of Government structures. Also, that his recent experience in putting up five Government brick and concrete structures, where he had kept track per cubic foot, that the difference was but little as compared with the frame structures; also, that in the form lumber he could utilize a large portion of the lumber for form lumber on account of it being only of temporary use, wherein he could not use it for building material, and everything that he could utilize of the old lumber was just saving that much money as compared with buying new lumber, as the Government would have to do in building what they classified frame structures. In addition to that, Shank had all of the sewerage, of which there is 22 miles, water, and plumbing, which are even of a superior type to what the Government called for. Also, the track could be extended the full length of the 2,000-foot building and within a few feet of the building, so that he could unload his brick and save a great deal as compared with the ordinary estimate of building. Moreover, he had some very large and up-to-date concrete mixers and apparatus that he had used on the other five Government structures, and he was not adding anything for the cost, rent, depreciation, or overhead, for which any other contractor for the Government would have had to add considerable. He was adding nothing for the use or purchase of his tools, and was very positive that he could do all that for the price he claimed.

Q. So that the difference was because of the material that he expected to utilize that was right there on the grounds, saving transportation?—A. Also, because he had a complete building organization; moreover, in the case of Government work it was done on a percentage basis, and I think that Mr. Shank said the percentage on this work would be between 6 and 7 per cent. That alone was over a hundred thousand dollars.

Q. It was a fact that he had allowed no overhead—he was to do that as his contribution?—A. He had allowed for no overhead, figuring it entirely at cost.

Q. Do you know whether the Construction Division ever went into the estimate of the cost of construction of this project?—A. Not to my knowledge.

Q. So that, so far as you know, there was no comparison of figures; theirs was an arbitrary sum, which represented the maximum which would be paid?—A. No; I understood from Mr. Newman that the construction department claimed that the construction could not be done for less than \$2,300,000, and perhaps even more.

Q. And even at \$2,300,000 it was less than the estimate of building a temporary structure at \$1,000 per bed?—A. Yes; and particularly, if, as we understand, in arriving at the amount per bed of this structure, they used a larger square feet space per bed than what was being used in the temporary buildings and hotels they had taken over.

(Mr. Hines requests that Col. Wright be called upon to produce a survey, which was made of the Speedway track, showing the elevation above the level of the lake, which survey was procured from the firm of Schmidt, Garden & Martin, and obtained by them from the city surveyors of the city of Chicago.)

Q. I wish, Mr. Hines, that you would procure for me a transcript of your book accounts, showing the situation in regard to the liabilities taken over by your firm as consideration for the property, not only in respect to the last \$1,800,000, which was assumed at the time the stock was turned over to you, but the original transactions showing your own credit extended and the first items which you assumed and paid by reason of the circumstances, which you referred to; and would it be possible for you to procure, under the certificate of the county clerk or registrar, wherever they make report of such transactions in Cooke County, the transcript of the transfers which are referred to in the history of the purchase of the plot by Mr. Reed?—A. I already have an affidavit from Mr. Reed, covering that, as many of the transactions appear of record with the consideration of \$1 and other valuable considerations, and I present now a copy of the affidavit by Mr. Reed, which can be attached

to and made a part of my examination. I will furnish you with three photostat copies of this document so you can attach the same to record of my examination.

Q. Referring again to your first interview with Mr. Erskine, or subsequent talks with him, in which he was urging upon your consideration the undertaking of the hospital project, was the matter of the cost of the enterprise and what your contribution represented discussed with him further than you have already stated? I desire to get at the precise part which Mr. Erskine may have had in urging the matter upon your consideration.—A. In the first interview with Mr. Erskine, when he suggested my making some substantial donation, nothing was gone over in detail. His idea was to have a fireproof hospital, and he explained to me that Mr. Armour and Mr. Patton, and one or two others, whom I have forgotten, had signified their willingness to donate a substantial amount of money for what is known as the Cubb Park Hospital, or what was projected then as the Cubb Park Hospital. I said but little at the first interview, and he did practically all the talking. He explained at length that the location of the Cubb Park was most undesirable; that the doctors at Washington were all against the location; that he had talked with the doctors; that he had visited the Speedway Park grounds with the doctors. I think he said, twice or three times; that he had looked at other locations around Chicago, and that he, as well as the doctors, was very much impressed with the Speedway Park grounds. I gathered from his talk that some one in Washington connected with the Medical Department had referred this matter of grounds to the doctors. Later on, my impression was confirmed by Mr. Shank stating that a Col. Magnusson had spoken particularly about this ground, and from that source, I gathered the doctors had become interested. I told Mr. Erskine I would think the matter over, but would have to see Mr. Shank, who had some interest—I did not tell him how much.

I talked with Mrs. Hines that night about the project, and she was very much impressed with my doing something—first, so I would not be connected with the Speedway, and second, she appreciated what a wonderful piece of ground this would make for a hospital. She is connected with this work in Chicago, being chairman of one of the boards or institutions of a somewhat similar character, and is also connected with the courts, looking after certain classes of people who want help, etc., and she explained to me in detail many features which I had not thought of. I then sent for Mr. Shank and explained Mr. Erskine's visit. I did not tell Mr. Erskine when I talked to him that Mr. Shank had a rough plan of a hospital already, but after discussing the matter with Mr. Shank, told him, Mr. Shank, that I thought it important that he meet Mr. Erskine, who seemed to have a considerable fund of information and was in close touch with the leading Government doctors. I arranged a meeting between Mr. Erskine and Mr. Shank in Mr. Newman's office and explained openly to Mr. Shank Mr. Erskine's talk with me, and said I would like to have them discuss the proposition and see if they could get their minds together on what kind of a hospital they could agree on. Mr. Shank exhibited his rough plans to Mr. Erskine, which was then a three-story project, utilizing the grandstand building as it was. The idea was to build brick on both sides, putting in concrete floors, etc., and not disturb the steel in its present condition.

(Mrs. Hines exhibits a photograph of the original design incorporating these plans, and at the request of the Inspector promises to furnish three copies in order that the same may be attached hereto.)

A. Mr. Shank explained to Mr. Erskine what a great saving in the building would occur, as there was some \$125,000 worth of steel on the basis of cost three years ago, and all this could be utilized without a single change, thus saving cost of erection. Both the concrete foundations and steel roof could be utilized. This appealed to Mr. Erskine very much, as it would enable him to make the building cheaper than an absolutely new structure. Also, the idea of a long, narrow structure immediately appealed to him, and he said this was an entirely new idea in hospital construction. He mentioned a number of hospitals, being familiar with them, practically all of which were based on a square, high building. This was a decidedly new idea of construction. Mr. Shank and he appeared to understand each other from practical, engineering, and building lines. I was more of a listener until the question came up as to what kind of a proposition we could present to the Government. I then told Mr. Shank that Mr. Erskine had presented the thought of my naming this hospital in honor of my son Edward, whom Mr. Shank had met at the officers' training camp, where his son was also in training. I said that I had discussed the matter with Mrs.



Hines, was very much interested in this proposition, and would be willing to make a substantial sacrifice if the matter could be arranged satisfactorily with the Government. I said, "Mr. Shank, I would like to have you think over what you would be willing to take for your securities," it being my intention, as I explained to him, to buy his share outright so as to make it a personal sacrifice. While it was in the form of a donation that word was not used. It was a sacrifice on my part of what we understood the property was worth, and what we thought the Government would be willing to pay for it. Mr. Erskin had read the history of my son's activities, and said some friends of his had known him, and he was very much pleased about my idea, and said he would do all he could to push this matter as he had been for some time interested in a fireproof hospital, not having any idea, however, of the kind of building until Mr. Shank presented this idea of a structure.

Mr. Shank then informed him of what little success he had met with in Washington with the medical and construction departments. He had gone there entirely unintroduced, and did not seem to be able to get the attention of anyone and was much provoked. He had just completed five large buildings for the Ordnance Department, every building, as he said, being completed in less than the Government allotted time, and he felt that he deserved a more favorable consideration. Mr. Erskin said that he could very readily arrange a meeting with the doctors; that he was going to Washington in a few days, and that if Mr. Shank would go with him he would be very glad to arrange this interview, and also one with the construction department. Mr. Shank said that he would have accompany him Mr. Wheeler, of the firm of Wheeler & Shank, architects, who had assisted him in putting his ideas on paper, and right there was arranged the first real meeting on this proposition. When they returned from Washington, Mr. Erskin said the Government could not name the hospital after any individual. I was much disappointed at this, of course. He then said that he and Mr. Shank had had some discussion in Washington as to what they could do with this speedway grandstand, and some rough photographs had been made. Mr. Erskin seemed to feel that I would not be as liberal in a sacrifice because my son's name would not be used, and was very anxious to show me by figures that he had prepared that a greater amount of salvage could be had of the property that was left than what I knew could be accomplished. One of the features he mentioned was that the Government was using a large quantity of lumber, and that a lot of this material could be sold to the Government. I did not contradict him on a number of matters he mentioned, but his argument did not change my opinion, because I was chairman of the several committees that had furnished the cantonments in and around Chicago, being chairman of the Wisconsin manufacturers, some 100 in number, who had mobilized their forces to furnish lumber for the Government, and knew from the character of the material wanted by the Government, and the quickness in which they demanded deliveries, that it was hardly practicable to attempt to tear down these structures and utilize it to any extent with the Government, because it would not make a complete building demanded by the Government, and could not be furnished nearly as quickly as the Government demanded it from the manufacturers, as in many cases we had furnished as much as 100 cars a day in complete finished sizes for complete buildings, while the material on the Speedway was only certain items. He knew that the price of lumber had advanced, and had gathered a general impression that it was very scarce, which was contrary to facts, he not knowing in detail as I do of the wants of the Government, the supply on hand, and the facilities to furnish it.

Q. Was it Mr. Erskin's idea or argument that the salvage might amount to as much as \$500,000?—A. Yes; in fact, he used the figures, as I recollect, of from five to seven hundred thousand dollars. After having discussed this matter with me for a considerable length of time, he presented the argument that, leaving out figures entirely, would I not be willing to do just as much for this meritorious cause in order that the Government might have an example of a great change in hospital construction; that if the Government ever once put up a building of this kind, they would never build a frame hospital again.

Q. So that Mr. Erskin did have part in persuading or obtaining your consent to—but amounted to a contribution in your own mind of practically a million dollars?—A. He certainly did; and was most enthusiastic in trying to impress upon me the general idea, and because I did not show as open an interest as he did, he seemed to feel at first that I was not generally favorable to the idea, and advanced several arguments, one of which was that I would obtain more than what Mr. Shank had advised.

**Q.** Did you express the opinion then or subsequently that you thought that the contribution that you would be called upon to make would be more nearly a million and a quarter, or some such figure, than a million?—**A.** This particular interview resulted in his impressing on me that he would like to have me feel like making the same donation in spirit, and mentioned that my son Edward and family would feel just as good about the results as if it were named after Edward. After probably an interview of two hours, I stated that I had in mind all the time doing this, and had discussed the matter with Mrs. Hines; that irrespective of our names being used, I had now determined to do all I could to accomplish the purpose. He seemed very much pleased, and stated that he and Mr. Shank would again proceed to Washington. He had some rough photographs at this interview, which were given to him by the surgical department, who stated, as I understood it, that their hospital units were costing \$1,200 per bed. He felt that if he could work out some proposition and present it in a definite form to the Government that he could get consideration for the proposition. I gathered from his talk that he was in some way connected with the Government, but he never directly told me this. He said he had given this question a great deal of thought, and had attended a number of meetings of the doctors, and I think he said had attended the medical convention in Chicago.

**Q.** Perhaps we can make the examination a little more brief if I were to ask more specific questions. I understand this undertaking was not considered an advantageous one from a business point of view?—**A.** In no way from a business standpoint. Last fall, in proposing to sell the ground to the Government for a million and a quarter, that was a business proposition. At that time I had heard nothing about the hospital project, but from the time the hospital proposition was suggested the business advantage of the undertaking was not considered. On the contrary, it was to influence the Government by sacrifice on my part—to what extent I did not know at the time.

**Q.** It might appear to one not fully informed of the circumstances upon which this project was undertaken that it was considered as an advantageous means of disposing of a piece of property, for which there was no immediate market, and which certainly involved a considerable loss of interest and carrying charges. Can you indicate what the disposition of the property would have saved to you annually, or what other prospects you had in regard to the disposition of the property, if thought was given to that matter?—**A.** There was considerable thought given to that. Mr. Shank was very persistent in attempting to show me that the property had a wonderful future immediately after the war; that with the advantage of the Belt Line, which made it exempt from switching, large warehouses could be erected upon the same, suited to manufacturers' special use, and long-time leases made to them upon 8 to 10 per cent valuations, with option on their part to purchase before a certain number of years. In this way, the ground could easily be put on a basis of from 20 to 30 cents per square foot, which meant from eight to ten thousand dollars per acre. Moreover, a certain profit would be made on the erection of each building, besides having securities bearing from 8 to 10 per cent interest in the form of rentals.

**Q.** So that you had no apprehension in regard to the realization of the amount of your investment, which you stated approximated \$1,800,000?—**A.** I had no apprehension, whatever, of the real future of my investment. Many of the improvements would be worth just as much 10 years from now; for instance, the sewerage system, of which there is 22 miles, could be utilized to the extent of between one and two hundred thousand dollars, also the water system, improvements on the ground, and roadways. Mr. Shank felt that in the erection of these factory buildings, many of which are constructed of concrete, the lumber could be used in form lumber. As we figured the property at only about 3 cents a square foot, on the basis of valuation, if we got 25 or 30 cents a square foot, which is the smallest amount per square foot of any property on railroad sidetracks anywhere surrounding Chicago, it would mean considerable more. Mr. Shank explained to me that while in Washington, the Central Manufacturing Co. had sold to the Government a substantial piece of ground at the basis of \$65,000 an acre, he having assisted Mr. Poronto in getting up the plans for the building. Also, that after the war, manufactories would be enlarged, and the war had taught him that many things would be manufactured in this country, which heretofore had come from Europe. I gave considerable thought to his explanation, as it had been his business for years to erect buildings in Chicago, and rent them, and he had made a study of these things.

Q. The plans which Mr. Shank outlined were dependent upon the conclusion of the war, and would have taken a number of years to fully realize, would it not?—A. Yes; naturally. After the war it would have been started, and then it would have taken several years to gradually make progress.

Q. Was the matter of the loss of interest on your investment, which represented approximately some \$90,000 a year, a consideration with you?—A. In first making a price of \$1,250,000 to the Government, I discussed with Mr. Shank at that time the uncertainty of the duration of the war, and said that the question of interest and carrying charges was a material item to add to the investment per year, and told him I preferred to sell the property out, particularly for the one reason that it was connected with the Speedway project, and that if it could be sold to the Government at \$1,250,000 for a group of warehouses, as he had figured out, I preferred to sell the property and discontinue my connection with the Speedway proposition.

Q. Would you have taken less than \$1,250,000?—A. That is a question that was brought to our notice, but after careful consideration we decided that \$1,250,000 was our price. The price at that time involved a commission of a real estate firm, who was to look after the details, so that we would not have realized \$1,250,000 net. I think the commission was 4 per cent, but am not positive about that.

Q. So that in connection with straight business disposition of the property, you were willing to take some considerable loss on your investment?—A. Yes; for the reason that I figured to dismantle and demolish all the buildings, there would naturally be a direct loss in that.

Q. But this price which you mentioned was merely to cover the land and the equipment under the grounds—you were still to have the material above?—A. The price of \$1,250,000 did not take in any of the material above the ground: barely the land, sewerage, and water system.

Q. Now, in the hospital project, what was allowed as the value of the land?—A. In the hospital project, Mr. Shank had to figure out how he could meet the proposition as presented to him. He figured it out roughly in Washington, the results of his figures being a probable realization of \$400,000 and some salvage in the way of lumber, but upon the revised plans and changes that were made, which made him rather nervous when he presented the final proposition to me, he said that I would probably have to stand an additional \$200,000, numerous accessories and embellishments of the exterior having been added in the way of cut stone, balustrades, etc. These things came up gradually, however, and he got so interested in the proposition and became so imbued with the idea of assisting in having a fireproof hospital, and, knowing my sentiments, he rather agreed to these things. I told him that as far as I was concerned it would be to me a living monument to a wonderful cause, and I would be a party to carrying it out.

Q. Considering, then, the embellishments and added expenses to the original proposition of some \$200,000, there would have accrued how much to you as representing the value of the land and improvements?—A. About \$200,000 and some possible salvage from the lumber.

Q. At that time what was the maximum salvage that was considered as possible for the material that was not to go into the structure and would have been an additional return to you?—A. Between three and four hundred thousand dollars under the most favorable circumstances.

Q. So that with that view there was a possibility, under favorable circumstances, of receiving what approximated three or four hundred thousand dollars as representing the value of the land and its improvement?—A. As representing the entire investment.

Q. Then, to determine the extent of your contribution, if it may be so designated, intended to be made to the Government in connection with the project, it represented the difference between this possible three or four hundred thousand dollars and the total amount of approximately \$1,800,000?—A. No; that is not true literally. I would not feel just in presenting just that picture, for the reason that the original investment for the purpose that the Government wanted to utilize this for would have to materially reduce; but, literally speaking, I was making that amount of sacrifice in submitting to the Government's proposition.

Q. I wish you would explain that, Mr. Hines. I do not quite understand your reference to the Government investment.—A. I felt that I was making a sacrifice as follows: Basing my calculations on the best evidence I had, the buildings alone cost us \$2,300,000; add to this the cost of 320 acres of ground, \$400,000,

which is what I feel the property is reasonably worth; then the sewerage system, which is absolutely necessary to this project, is worth about \$150,000; the water system, approximately \$50,000; the fence, about \$75,000; the macadamized roadways, walks, and general improvements, at least another \$50,000; and to this add \$200,000, making a total of something over \$3,200,000, which we had agreed to furnish for \$2,500,000.

Q. What was the item of \$200,000 which you added?—A. That was the cost of additions above referred to, and this item is very conservative.

Q. Would this, then, be a fair assumption, in order to get at the basis of your contribution, that for considerations which you have stated, you were willing to dispose of the property and the improvements as a purely business proposition on the basis of \$1,250,000, and that under this project there was a possible return to you of, say, \$400,000 at the most, leaving, under the most favorable conditions, a difference of \$850,000, or, allowing the item of commission, which you have mentioned, say, \$800,000, so that under this plan, if you realized upon a salvage to the maximum amount stated, your sacrifice or contribution would have been represented by the sum of \$800,000, and allowing, say, \$50,000 for the difference in salvage—that is, taking it at the average instead of at the maximum, it made a contribution of \$850,000, which was approximately what you considered it at the time the project was given approval?—A. Yes.

Q. And considering the matter on the basis of your actual cash investment three years ago—that is, approximating the sum of \$1,750,000, and taking that as the basis from which we were to measure, your contribution would have added another \$500,000, making the contribution \$1,350,000, which were the figures discussed by Mr. Erskine at one time, were they not?—A. Yes.

Q. And may have formed the basis if the statement that it appeared your contribution was more nearly \$1,300,000 than \$1,000,000?—A. Yes.

Q. Now, Mr. Hines, what was contemplated by the original project?—A. It specified definitely, I think, five different buildings, one of which was to be a fireproof structure, and the others were frame, according to plans and specifications exhibited at that time, and a blue print of a ground plat showing where those buildings were located.

Q. That is to say, a definite proposition for which the Government was prepared to pay a total sum of \$2,500,000?—A. Yes; very definite, because the plans had all been O. K'd by both the Government officials and Mr. Shank, describing definitely just what the Government wanted and just what Mr. Shank's figures included.

Q. And the computation which we have made as representing the amount or measure of your contribution was based upon that proposal, was it not?—A. Absolutely; and would like to add further that Mr. Shank told me that according to the city of Chicago regulations for hospital buildings the number of square feet embodied in the four-story fireproof hospital would give the Government something over 3,000 beds.

Q. That is to say, that while the number of beds in these temporary frame structures was taken as the basis of compensation, when it came to the preparation of plans the bed number was arbitrarily applied, and there was allowed for each bed a greater air space than was required by the ordinances of the city of Chicago?—A. Yes; and Mr. Shank understood from discussion that in this hospital the Government wanted a number of accessories and various other rooms included for other purposes to make it a more complete, finished product.

Q. So that not only was a greater air space and floor space allotted, making the entire structure larger in proportion than the temporary structures for a similar number of beds, but there were additional accessories considered necessary to a permanent building of this character, which were not usually included in the temporary structures?—A. Yes; and, also, this was to be used as a reconstruction hospital, which the frame structures did not contemplate.

Q. Without at this time going into the circumstances of the suspension of the work, I wish you to consider only the change in the proposition which later developed, and tell me how and to what extent that affected the original proposition?—A. I went to Washington, where I met Mr. Hare, and after some discussion as to how this matter could be amicably adjusted, he said that it appeared to be a misunderstanding, and that he would like to have us figure on some thirty-odd more buildings, which the Government had later discovered they would like to include in this plat of ground. Mr. Shank and I, together with some practical men, immediately proceeded, working until 2 and 8 o'clock every morning, to have the figures presented at the earliest date possible, and did present a figure of an additional \$658,086. We further stated at the same time

that, inasmuch as we were hurried in procuring these figures, and the intention was to build them at a low price, we would stipulate that we would build them at actual cost, without adding anything for overhead expenses, making no charge for commissions, or other compensation for doing the work. Further, that in doing it at cost, if any of the material on the ground could be used to advantage, that we would sell that to the Government at 33 1/3 per cent less in the form of a special discount. Further, that if at some future time they should wish to disband and abandon this hospital, we would take it off the hands of the Government at the price of \$1,258,036, and that we would deposit \$1,258,036 in liberty bonds with the Continental Commercial National Bank, of Chicago, as a guaranty that we would purchase the property from the Government, at their option, at any time during the said five years. Under this proposition the Government would have the use of a fireproof hospital for five years at a cost of \$152 per hospital bed per annum, if the unit of 2,500 beds to this hospital is applied, but applying the square feet per bed as called for in the city of Chicago regulations, and which it would be more consistent to use, a material reduction would accrue. Three thousand five hundred beds would make the cost to the Government per bed per annum of about \$100. When this proposition was presented at the end of about six days, the construction department then presented several other buildings, and, further, a number of new roadways, concrete sidewalks, and open corridors, and asked for an additional figure to be placed upon it. We complied with the same by a figure of \$95,439, with the further stipulation that we would also do that work at actual cost, without any percentage or compensation, including the taking of the proposition off the Government's hands at 40 per cent of the cost at any time within five years. Mr. Hare later asked me if I would change the period to eight years, to which I acceded.

Q. What was the date of the final proposal?—A. October 12 was the final proposal.

Q. That is the one involving the repurchase of the property, including all the additional buildings, at any time within eight years, on a basis of 40 per cent of the amount which the Government paid at this time for the entire project?—A. Yes; that is correct, except that only five years was contemplated at the time of the submission of the last proposition. Later on I acceded to the suggestion that my offer to repurchase be held open for eight years. The date on which I agreed to that suggestion was October 18, 1918. (I will supply the date, as the proposal was made in writing.)

Q. And have you received any definite reply to that proposition in its present shape? A. Yes.

Q. What is its present status?—A. I received a telephone call on Friday, October 25, stating that the Government had found by comparison that our proposition of 2,500 beds would cost the Government more per bed than the cost per bed of the Field Museum proposition; that they were to have some 4,200 beds in the Field Museum, at an expenditure of close to \$2,000,000, making the price per bed \$453.; that they had concluded to accept the Field Museum proposition, and as the 4,200 beds would fill the revised quota of beds now demanded by the Surgical Department, they would not need the hospital of our project. I replied that at the time we met in his office he had definitely stated that he wished me, while in Washington, to keep in touch with the construction department, through their counsel, Maj. O'Brien and Col. Wright, and that when we got through with all the figures that he wished a conference in his office between Maj. O'Brien, Col. Wright, Mr. Shank, and myself, in order that an intelligent comparison could be made between our project, on the basis of the required amount of square feet per bed, and that of the Field Museum and some other buildings which had been offered them. I said, "Mr. Hare, do I understand this is now denied us, and what has occurred that would change this understanding. I remaining in Washington at your request from that date for an opportunity of being in this conference, and having a full comparison?" He said that there was no need of that comparison now, as the Government had definitely decided for the above reason not to entertain our proposition.

Q. Had you in the meantime, conforming with the suggestion made to you, kept in touch with the construction division, with the view of comparing the capacity of the Speedway project with the Field Museum?—A. I stayed in Washington continually, going nowhere except to and from my room and to the construction department, until October 19. Then, having some very urgent business in Chicago, I called up Mr. Hare and asked if I could return to Chicago and get back the following Wednesday morning. He said that the papers were

then in the hands of Gen. Jerbey, and he would not get them back until probably Wednesday, and that I could go with perfect propriety and return Wednesday morning; that nothing would be done until my return. I went to Chicago and returned at 9 o'clock Wednesday morning. I awaited a call from Mr. Hare, in the meantime reporting to Col. Wright a couple of times, who informed me that they had heard nothing, but were all awaiting Mr. Hare's call for a conference. I also called on Maj. O'Brien, the attorney for the Government, and made some inquiry. He informed me that they were awaiting a call, which he understood, would be made as soon as Mr. Hare had the papers. Not hearing from Mr. Hare, I called his office on the 23d. He stated that the Secretary had sent for the papers, and, as I understood, they were now in his possession; that he could do nothing in the matter, but hoped that the same would be settled very quickly. I understood, of course, that the conference would be held as soon as the Secretary was through with the papers as promised. The next thing I heard was the telephone conversation stated above, in which he stated that he figured our bid of 2,500 beds would amount to \$793 per bed, while the Field Museum, with 4,200 beds, would be about \$453 per bed. At the same time he stated that the Government had increased their bed unit at Fort Sheridan to read 5,000 beds. Just prior to this he had stated that the bed capacity at Fort Sheridan, according to plans, would be 4,000 beds. He did not explain how the Government increased the capacity, he simply stated that it was increased. He also stated that the Government had secured some hotel in Chicago, which they were going to remodel, that would hold 1,000 beds. Therefore, 4,000 at the Field Museum, 5,000 at Fort Sheridan, and the 1,000 at the hotel would provide the necessary number of beds.

Q. Have you any basis of comparison of the Field Museum project with the Speedway project in so far as the cost and floor space is concerned?—A. Yes; we have the floor space of the Field Museum, which, making no deduction for the character of the building in the way of providing light and air in the center of the same, is 455,000 square feet for the three floors, divided as follows: First floor, 211,000 square feet; second floor, 128,000 square feet; and third floor, 116,000 square feet.

Q. How does that compare with the floor space of the main hospital building contemplated in the Speedway project?—A. Taking in all of the floor space, this building would have an equal amount of square feet space.

Q. But taking into consideration the additional buildings contemplated in your plan, the cost of which has evidently been considered in estimating the cost per bed, what would be the floor space?—A. We would naturally have an additional floor space.

Q. Did the museum project include the numerous additional buildings that were contemplated by the Speedway project?—A. We are reliably informed it did not.

Q. So that, so far as you were informed, the estimated cost per bed of the Field Museum project was based only upon the cost of the temporary interior construction to be placed there for hospital purposes?—A. With the addition of a lesser number of buildings than were included in our proposition.

Q. Of a temporary character?—A. Yes; and we are reliably informed that the estimated cost of the Field Museum was not made by the construction department, but by Chicago estimates, and, at the most, were not definite as in the case of our figures. It is well known that as a rule the actual figures of estimates made in this way largely exceed the estimates.

Q. And the entire proposition of the Field Museum project involved a total loss of the construction, save what slight salvage might occur after its use as a hospital had been discontinued?—A. Yes; and in addition, it called for restoring the structure and putting it back in the same condition as it was found.

Q. Do you know whether the cost of restoration was included in the estimate of per cent bed cost?—A. I understand it was not.

Q. I understand from the figures of floor space mentioned by you that, applying the same basis of estimate as must have been applied in the Field Museum project, the Speedway project would have allowed the use of 4,000 beds?—A. Yes; certainly as many beds as the Field Museum. Moreover, the Field Museum, which was designed for an entirely different purpose, would have to be remodeled, and at the most, must necessarily be only a makeshift, while the Speedway Hospital, designed for this special purpose, of the most modern design, having had the benefit of the most careful consideration by every expert in the surgical and construction departments, would be permanent. These men of the surgical and construction departments were men of national reputation in

their particular profession, and after having consulted a half dozen different architects they called to their aid a Mr. Smith, who is considered a great authority on hospital construction. Mr. Smith is of the firm Smith, Garden & Martin. Having refined the plans and specifications, the different experts of the Government, together with Mr. Smith, Mr. Martin, and Mr. Shank, having a stenographer present, took sheet upon sheet of the plans, making any changes that any of those present, which were about a dozen, thought would make it more perfect. They had present a draftsman, who would immediately note in red ink the changes. The sheets were taken off and immediately redrafted, so that the next day the perfect, completed plans were presented. The plans when finally presented and O. K.'d had had the benefit of every expert of the Government in the various departments, all working together for a common end, and had in the final expert analysis what the Government classed as the greatest expert on hospital design, Messrs. Smith, Garden & Martin, so that, necessarily, the finished or refined product must be the latest, most modern, practicable, and sanitary hospital design.

Q. What disposition of this Speedway Hospital and the accompanying structures had you in mind at the time of your proposal to repurchase from the Government upon the terms proposed these structures after the Government's use of the same had ceased?—A. Both from the experience taught me by the present war and from the various accidents occurring daily in our various factories, I thought that the next real construction work in our country would be of a reconstruction hospital, where those who were maimed, either by the war or in the factories, might have an opportunity of going to a hospital conducted either by the Government, city, or some organization where they could be changed from a liability into a useful member of society and become an asset to the community. I therefore inserted what is known as the repurchase clause, wherein I stipulated that if for any reason the Government should wish to discontinue the use of the building as a hospital I would within a period of, first, five years, and later changed to eight years, take the entire proposition off their hands in the way of a definite, substantial salvage of 40 per cent. From my experience I was convinced that there would be practically no salvage, either from the temporary frame structures or from the Field Museum project. I wished to perpetuate the hospital in Chicago, and by having it fireproof of substantial character hoped the Government would retain it as a perpetual hospital; and if not, I wished to perpetuate it in some form as a nonsectarian hospital, and had that in mind when I made the proposal of repurchasing at 40 per cent. If given an opportunity to repurchase, I intended to give the entire project for the purpose of perpetuating in Chicago a nonsectarian hospital, and hoped it would be only the beginning of the erection of a group of buildings on this ground something along the lines of the Rockefeller University in Chicago, which is about the same distance south of the courthouse as this is west, having considerably less acreage.

Q. How was your intention in this respect indicated?—A. I advised Father Shannon, of Chicago, who has been active in war work of the city, selling Liberty bonds, etc., of the proposition, and showed him a copy of the same. I told him that we could not discuss the matter publicly yet, as the War Department had asked me not to say anything to anyone about the matter. I told him that I understood when they were through with these hospitals they were going to disband them, and that if the Government accepted my offer I was going to turn over this project as a nonsectarian hospital of a reconstruction character in memory of my son, and that it would no doubt lead to the greatest hospital unit in the United States.

Q. To whom did you propose to turn the hospital over?—A. To the Catholic bishop of the city of Chicago as a nonsectarian hospital, stating to Father Shannon that in this way it could be run more cheaply for the benefit of the poor, at the same time describing to him what it cost a person to get into a hospital, I myself having had some experience in paying the hospital bills of some of my help. Moreover, this recent influenza epidemic showed how utterly impossible it was to get anything like enough hospital facilities. I told him he could tell the archbishop in confidence of what Mrs. Hines and I were going to do, but not to make it public until this matter was settled.

Q. Was the proposition placed in writing by you, Mr. Hines?—A. The proposition that I made the Government was shown to Father Shannon, but no written proposal to the archbishop was made.

Q. Can you obtain for my record a confirmation from Father Shannon stating, if possible, the date when this proposal was made to him and what he understood about it?—A. I can.

Q. Will you obtain such a statement for me?—A. I will.

Q. Had you conferred with any other persons in regard to your intentions?—A. Yes; I conferred with the president of the Catholic Charities of Chicago, Mr. D. F. Kelley. The day I was in Chicago, Monday, I attended a meeting of the executive committee of the Catholic Charities, and at that time I explained to him in confidence what I was here in Washington for and what I hoped would be the outcome of my work here, and he spoke in very high terms of the project.

Q. Was that before or after your talk with Father Shannon?—A. It was the next day. I talked to Father Shannon on a Sunday and to Mr. Kelley on Monday.

Q. Would it be possible to obtain a word of confirmation from Mr. Kelley in regard to your intentions?—A. Yes.

Q. Had you talked to any other person, or considered from any point of view, additions which might be made to this property, such as, for instance, the reforestation, or the addition of vocational or agricultural classes?—A. Mr. Erskine said that there ought to be some trees on this ground. This came up in connection with the city of Chicago's buying for an outer park the ground almost adjoining us. I said I felt I could accomplish having the city of Chicago buy the ground from Desplaines River to this ground, in order that there would be a sort of a parkway from the river to the grounds. He said that it would be very nice if we could arrange to have a lot of trees put on this ground, as there were trees along the river, and he understood the city was going to reforest a certain amount of this ground. He said he had in mind trying to interest Mr. Peterson, well known in this work, in having a lot of trees planted; also, he would see some acquaintances of his about having some other buildings put up on the grounds for certain other purposes.

Q. Have you heretofore interested yourself in public charities or enterprises that you could refer to?—A. Nothing in so large a way as this, but I have always given to various charitable and worthy causes.

Q. I do not want to press you for a statement of the various charitable undertakings in which you have been interested, but I feel that it has a real material bearing upon a proper understanding of your attitude in this matter, and I would appreciate it if you would not hesitate to mention those matters in which you have been interested, and also the part you have taken in the way of purchasing Liberty bonds, etc.—A. I only give this information when asked for it, and not in any way to be used as an inducement on this proposition.

Q. I understand that, Mr. Hines, and am asking these questions only to show that your proposal in regard to this matter was consistent with your attitude in similar matters.—A. I have always assisted in matters—especially in non-sectarian institutions of charity for the uplift of humanity. Recently, I subscribed to the Rockefeller University; also, I gave the thought to forming the Catholic charities in Chicago, and was one of the first group of six to inaugurate it, and have since been active on its executive committee for the raising of \$500,000 for the charities of Chicago—largely war charities. I have also bought probably the largest amount of Liberty bonds of any lumberman in the city of Chicago, taking in the last issue \$1,000,000 worth, personally, in addition to all the various companies in which I am interested taking liberal subscriptions, and I am president and director of some 10 different companies. At this time, owing to the death of my son, who, I am proud to say, left a wonderful memory, both in public and in the war, I particularly wanted to do something of a substantial character and of an original idea, laying the foundation of what I felt would in the future be the greatest hospital unit in the United States. I also discussed this with Dr. Bevan, former president of the Medical Society of the United States and classed as one of our leading surgeons, who said that I would be doing a wonderful work; that this ground was peculiarly adapted as a foundation for a group of buildings; was accessible to Chicago centers, and yet outlying sufficiently to give fresh air and sunshine; and was also accessible by a 15 or 20 minute ride in an automobile to a group of the greatest hospitals in the city of Chicago, of which the Presbyterian was the center. I explained to him my purpose, and he felt it was a very meritorious one, and would be very glad to assist in any way he could.

Q. What is the character of the territory immediately surrounding the Speedway relative to its height above the lake level, its drainage, and other features?—A. This ground is probably the highest in Cook County, being 43½ feet higher than the lake; is located on what is known as the Des Plaines watershed, and has a natural drainage to the river. As an illustration, I



give you an affidavit by Mr. Edward Probst, of the well-known firm of Graham, Anderson, Probst & White, of an investigation made yesterday after several days' rain. The ground was found to be in good condition as regards drainage, with no surplus water in sight. A detailed investigation was also made of the sewerage and draining systems, which were first installed by this firm's engineers, testing the same to see if it was in every way equal to the condition it was at the time it was installed. The affidavit referred to is to be furnished and attached. I would like to add for your information that Col. Wright, of the construction division, made a very careful study of this ground, and undoubtedly has reports made by Mr. Smith, of the architect firm, obtained from final data of the said surveyors; also, data from some engineering company on the sewerage. Moreover, Gen. Noble, Col. Billings, and Col. Wright themselves visited the ground and made an inspection.

Q. Have you learned of any sources of opposition to the Speedway Hospital project except the determination, based on the comparative cost, which you have already referred to?—A. Yes.

Q. Will you please state what it is?—A. Mr. Erskin informed me that when he obtained from Secretary Baker an indorsement of the general plan, and Secretary Baker requested Dr. Keppel, his assistant, to go with Mr. Erskin and arrange for an interview between the various departments that would have such a matter in hand, that, among others, they met a Dr. Hornsby, who stated that he did not want to go into the subject at all; that if the Secretary wished to change the well-known policy of changing hotels and other buildings for a small temporary hospital, it was up to him, and that he would not give the subject any consideration. In addition to that, Mr. Newman, who at one time acted in some official capacity for Dr. Hornsby, met the gentleman at the Raleigh Hotel accidentally, and he reiterated in substance his opposition to this kind of an idea. Furthermore, Secretary Baker read a letter in an interview this week, at which Gen. Chamberlain, Mr. Erskin, and myself were present, which stated that the Speedway Park ground was unsuited for a hospital site, it being of a low, swampy character. This interview occurred just after Dr. Hornsby had given this letter to Secretary Baker. A commission was appointed to go to Chicago, and I learned from one of the members that a Mr. Trainer was a member of the same. I knew that he was hostile to the subject for the reason I had refused to be a party to paying him a large commission. The circumstances are as follows: Mr. Foster, of Shank Co., telephoned me some time in August that he wanted to see me on a very important matter. I had him come to my office, and he was accompanied by Mr. Shank. They stated that a Mr. Trainer had called upon them, with his partner, Mr. Clarke, and stated that he wanted them to arrange a meeting with me whereby it would result in my arranging with Mr. George Reynolds, president of the bank of which I am a director, that \$100,000 commission on the sale of the Speedway would be paid to them.

I told both Mr. Shank and Mr. Foster that I would not see Mr. Trainer, or have anything to do with him, and thought that this matter should have immediate consideration by Government authorities, and that we should immediately see Mr. Newman. I located Mr. Newman on the golf links, and he was very much surprised at the subsequent interview. He said he wanted to think the matter over as to how we had better handle it with the Government. I saw him later in the afternoon, and he said he had come to the conclusion that if we were to go to Washington immediately, with our project in the shape it was, it might cause an investigation, and stop or delay our project, and that time was such an essential feature in completing the structure for the Government, it would be hurting the very purpose the Government wanted to accomplish; but that just as soon as our matters were closed up, he would acquaint the Government with the facts; in the meantime, for me to tell Mr. Shank and Mr. Foster to advise Mr. Trainer that I could not see him on the proposition he presented, and would not see Mr. Reynolds upon the same, and would have nothing whatever to do with the proposition. He emphasized to Mr. Shank and Mr. Foster what an awful thing it was, and that they must not in any way communicate with Mr. Trainer or Mr. Clark, except to tell them that the Speedway Park Hospital could only be considered on its merits, and we did not wish to have anyone employed on any commission. A day or two afterwards Mr. Newman informed me that Mr. Trainer and Mr. Clark came to his office, and with Mr. Popenhauser present stated that they wanted to arrange through Mr. Newman that they could assist in having this hospital project go through at their regular commission, using the figure \$100,000. Mr. Newman told me

that he never talked so strong and so pointed to anyone before, and told them that it was absolutely criminal for him to attempt a thing of this kind while in the employ of the Government. They left the office, and later in the day, Mr. Newman informed me, Mr. Clark returned alone, and asked Mr. Newman why he could not arrange to pay him, Clark; that Mr. Trainer would be entirely out of it; that their firm of real estate people were entitled to do business and obtain commissions on sales of property to the Government. Mr. Newman told Mr. Clark that it all amounted to the same thing as if money were paid to Trainer; and further, they had never discussed any such matters with the firm of Clark & Trainer; that the matter of the Speedway project as presented to the Government was now being considered favorably on its merit, and he must advise his clients to have nothing to do with the firm of Clark & Trainer; further, that if we did have anything to do with them he would withdraw as counsel in the matter. Later, while Mr. Newman was in Washington during the period following the stoppage of the work, a gentleman came to Mr. Newman's office. Mr. Popenhauser told him that Mr. Newman would not be back for several days, and after some reluctance he told Mr. Popenhauser that Mr. Newman had some clients, who had a matter up at Washington, that, while very meritorious and better than any proposition of a like character, and was being considered by the real estate and surgical departments of Washington, it could only be put through by the assistance of the gentleman, whose card he handed Mr. Popenhauser, which read, "Mr. Trainer, United States General Staff, Real Estate Department"; that if I would see Mr. George Reynolds, Mr. Cyrus McCormick, or Mr. Wallace Heckman, and leave my proposition with one of these gentlemen, to be given to Mr. Trainer, that the matter could be arranged satisfactorily. Mr. Newman received this letter while in Washington, and was very much disturbed about it, finally letting me read it. I was just about to return to Chicago, and knowing Mr. Reynolds's standing in Chicago, and hearing that at different periods he had recommended Mr. Trainer as being honorable and reliable, I had no doubt that Mr. Trainer was using Mr. Reynolds's reputation, and decided that I would at least tell Mr. Reynolds the entire matter, and show him this letter, which I did the Monday I was in Chicago.

He was very much surprised and deeply hurt, stating that he had befriended Trainer a number of times in recommending his responsibility and reliability, and especially in helping him to finance some real estate matters in Chicago. He asked what I was going to do about it, and I told him that I was acting under Mr. Newman's advice as to when I would advise the Government. I explained to him briefly the hospital matter, and told him that Mr. Newman felt that an investigation might retard the closing up of this matter, and as there was nothing in our project to which Mr. Trainer had been a party to securing favorable consideration Mr. Newman asked me to withhold advising the Government until our matter was closed up. Mr. Reynolds said that he would at once send for Mr. Trainer and advise him that he must not use his name for further reference. I have since learned that Mr. Trainer left that day for the West as a Government representative in regard to further hospital sites and do not know whether he is now in Chicago or not. The letter above referred to is in the possession of Mr. Newman, which, I presume, he will furnish upon request. The first time I advised anyone concerning this was Mr. Baruch, who, I think, sent for me at the solicitation of Mr. Legge, vice-chairman of the War Industries Board and general manager of the International Harvester Co. Mr. Legge sent for me this week, and after hearing the facts in the case stated that he had gotten an entirely different impression from other sources, but that as he now saw the matter our project was a most meritorious one. He said that he would have Mr. Baruch send for me and clear up some things that had been said by some one to them. Mr. Baruch sent for me and asked for a frank discussion of the proposition. I felt that Mr. Baruch was intensely interested in obtaining an honest solution of the difficulties, and that he had had the matter misrepresented to him. From information obtained elsewhere he was very strong in his opposition to the Field Museum idea, and seemed to know considerable about the Field Museum's weakness as a hospital, but was impressed with this fireproof proposition. I felt that, considering Mr. Baruch's position as chairman of the War Industries Board and the earnestness with which he was trying to get at the facts in this matter, it would be doing him a great injustice if I did not tell him all the facts, and without consulting anyone but Mr. Newman I told Mr. Baruch about Mr.

Trainer's attempt to obtain some money out of this project, and that since his attempt to do so there had arisen from various channels some opposition to our project, and also certain insinuations and innuendos were made derogatory to both the project and to myself personally. I mentioned to him Col. Starratt's report, which he seemed to know all about, and how I had accidentally learned that some one had requested Col. Starratt to see certain individuals, and only those, in Chicago, which resulted in his obtaining what looked to him reliable information derogatory to my business integrity and to my standing as a citizen. I explained to him that Col. Starratt told me that he had found the entire project clean and meritorious, the work conducted in a splendid manner. Mr. Shank, a most competent man to do the work, and, as I understood it, the cost very satisfactory. He asked me some peculiar questions, one of which was whether Mr. Erskin had been promised a substantial fee of some sort. I replied that nothing had ever been suggested or inferred that Mr. Erskin was to get any fee, explaining how I first met him, and how both Mr. Shank and myself thought that he was in some way connected with the Government, and that since then he had conducted himself as a most patriotic citizen, being intent on doing what he classed his war bit in having a fireproof hospital built; that I had made inquiries about Mr. Erskin and found that he was spoken of in the highest terms by everybody. Col. Starratt apologized to me for some rather pertinent questions he put to me but in no way intimated that he had made any inquiries about me personally, but I now see that he had gotten very strict orders not to disclose those inquiries. I learned in a rather confidential way that one of the persons whom Col. Starratt saw and talked with tried to poison Col. Starratt's mind in regard to my business integrity, but I invite the department's consideration to my business record of 40 years in Chicago, my personal record, and to my wide business activities; to my credit with any bank in the city of Chicago, and to the fact that I have no lawsuits of any kind. I am informed that those persons to whom Col. Starratt was referred were men with whom past political differences had occurred, and others of a business jealousy type.

Q. Is there anything that should be added at this time to your statement that I have not brought out by specific question?—A. I can not say at this time, but would like to have an opportunity to think it over Sunday, and if there is anything further have an opportunity of suggesting it to you.

Q. Very well; I will have another opportunity to confer with you in regard to this matter.

#### HINES EXHIBIT 2-A.

STATEMENT OF EDWARD HINES TO SECRETARY OF WAR BAKER, OCTOBER 29, 1918.

At the interview which I had with the Secretary of War, Mr. Baker, on October 29, 1918, I stated that Mr. Shank and his partner, Mr. Foster, came to my office and informed me that Mr. Milton J. Trainer, who at that time, I understood, was a member of a commission created by the Government for the purpose of selecting hospital sites, and his partner, Mr. Wallace Clark, comprising the firm of Clark & Trainer, in the real estate business in Chicago, had called at the office of Shank Co. and had solicited Shank Co. to introduce them to me, stating that they were in the real estate business in Chicago; that Mr. Trainer had stated that he could be of material help in putting through the Speedway Park Hospital project at Washington. That he wanted to meet me with a view of having something definite arranged about a commission which he or his firm should obtain for putting through the Speedway Park Hospital project; that he wanted to arrange, when meeting me, whereby some arrangements could be made through Mr. George H. Reynolds, president of the Continental & Commercial National Bank, of Chicago, which would guarantee to them a commission after the Speedway Park Hospital was put through.

To this I stated to Mr. Shank that I would have nothing whatever to do with such a proposition; that I would not insult Mr. Reynolds by approaching him to make any such arrangements; that I did not wish to meet Mr. Trainer; that the proposition was of a meritorious character and must go through on its own merits.

A day or two afterwards Mr. Newman, my counsel, stated that Mr. Milton J. Trainer had called at his office with Mr. Clark and made the suggestion that he (Trainer) could be of material assistance in putting through the Speedway Park Hospital project, if their regular commission could be arranged for, stating that they would want \$100,000 commission; that he understood Mr. Newman

was my counsel; that he came to see him about the subject to arrange to have me provide in some way for such payment.

Mr. Newman told me that he stated to Mr. Trainer that he understood he was in the Government service; that his conduct meant the penitentiary; and that he (Newman) would have nothing whatever to do with anything of that kind, and that if I would, he would withdraw as counsel.

That later in the day Mr. Trainer's partner, Mr. Clark, came to Mr. Newman's office and suggested that inasmuch as he was not personally in the service of the Government, the money could be paid to him. Mr. Newman said he asked Mr. Clark whether Mr. Trainer was still a copartner with him, and Mr. Clark replied that he was. Mr. Newman then told Mr. Clark that it was utter idiosyncrasy for him to make such a suggestion, as the Government could send him, as well as Mr. Trainer, to the penitentiary if they received any money in connection with this matter, and that Mr. Newman would have nothing to do with the furthering of any such suggestion.

Some time later, while in Washington, Mr. Newman read to me a letter which he had received from his partner, Mr. Poppenhusen, which letter stated that a gentleman had called at the office with a card bearing the name of Milton J. Trainer, General Staff, United States Army, Washington, real estate department, and stating that the gentleman who handed him the card had informed him that if a proposition was made through Mr. Cyrus McCormick, Mr. Wallace Heckman, or Mr. George M. Reynolds to Mr. Trainer that the project would immediately receive favorable consideration by the Government. I stated to Mr. Newman that we would have nothing whatever to do with the parties.

Immediately on my return to Chicago (October 21) I informed Mr. Reynolds in substance of the above, as I felt it my duty to do this, inasmuch as I had understood that Mr. Trainer had used Mr. Reynolds's name for reference; that this peculiar circumstance, to my mind, seemed to have a bearing on some of the obstacles that had been placed in the way of the Speedway Park Hospital project, in its not having had the consideration I felt the merits of the project warranted.

The above is the substance of what I said to Secretary of War Baker, October 29, 1918.

EDWARD HINES.

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SUPPLEMENTAL EXAMINATION OF MR. EDWARD HINES, BY MAJ. L. W. STOTESBURY,  
NOVEMBER 11, 1918.

Q. Did the offer to repurchase at 40 per cent at any time within eight years intend to cover the total expenditure of the Government in connection with the project; that is, not only the original building, as covered by the proposed contract, but the additional buildings as well?—A. Yes, sir.

Q. I find that the total cost as consolidated in the final proposition amounted to \$3,253,475; that's correct, isn't it?—A. Yes, sir.

Q. And the amount stated to be paid under this offer to repurchase, I notice, is \$1,296,211; just how do you obtain that amount?—A. The amount was an arbitrary sum to approximate 40 per cent, the idea being to repurchase at \$1,296,211, which would make the cost to the Government for the period of eight years \$1,957,264, or \$560 per bed, or \$70 per bed per year.

Q. Then it was not exactly 40 per cent but approximate?—A. It was as close as possible, to bring out in even figures, per bed per year.

Q. How does the proposition now stand—the one that you are willing to carry out?—A. According to our proposition of October 12, 1918, to the Secretary of War, and the similar proposition as evidenced by letter addressed to Secretary of War dated October 26, 1918.

Q. Well, in order to get at a brief statement of it myself, can I state the proposition as an offer to purchase at 40 per cent of the original outlay, however it may come out? I think that would make a difference of perhaps \$5,000 in those figures.—A. Yes, sir; we will use 40 per cent as a basis.

Q. Mr. Hines, it has appeared in the course of my investigation that there has been some difference of opinion as to the value of the land covered by the proposition. It has been suggested in some sources that for the purpose of this project, unless it were intended to extend it materially, that the entire tract of 320 acres might not be necessary. If, under any circumstances consistent with the project, it should be considered inadvisable to take the entire tract, have you any suggestion or proposition which I might include in my

report as to an allowance which might be made for any portion of the property not required in connection with the project?—A. Yes, sir. If it should be found by the Government that the amount of ground is in excess of the amount they feel they should have for the project, I would agree to deduct from the sum as proposed such sum as the excess acreage which the Government may feel they have no use for, on the basis of \$1,200 per acre; the idea being, of course, to have some line drawn through the property from Twelfth Street on the north to the Illinois Central on the south, where it will approximate an even number of acres on the east side of the property, as the plans call for the present buildings on the west side. As an illustration, there being approximately 320 acres of land in the parcel, if the Government should wish to purchase, figuratively speaking, but 160 acres, I would be willing to take it off its hands—the remaining 160 acres—at \$1,200 per acre, or \$192,000, these figures being used to illustrate the example.

Q. May I incorporate that proposition, Mr. Hines, in my report as part of the original proposition in regard to this project?—A. Yes, sir; you may.

Q. Would it be your intention that that adjustment should be made when the contract is closed, and it would merely cut down the consideration for the building?—A. It would mean a deduction from the approximate cost as given to the Government. Or, if the project goes through, the contract can be made according to my figures and credit given the Government for the amount of land they do not wish to use, on basis as just mentioned, in the same manner, for instance, as a payment on account of that much money.

The foregoing evidence marked Exhibit 2-A is subscribed and sworn to by Edward Hines this 11th day of November, 1918.

EDWARD HINES.

#### HINES EXHIBIT 2-B.

#### SUPPLEMENTAL TESTIMONY OF EDWARD HINES BEFORE MAJ. LOUIS W. STOTESBURY.

Maj. STOTESBURY. Mr. Hines, you have already been sworn as a witness in this investigation?—A. Yes, sir.

Q. Did you ever have any talk with Mr. Erskine in regard to the character of his interest in this project in which he was showing a great deal of activity?—A. Yes, sir.

Q. What was that?—A. He explained to me that he had made quite a study of this reconstruction work and was anxious to do something to further his ideas, explaining that he had attended several lectures to doctors on this work.

Q. Did you ever discuss with him the matter of remuneration to him for his interest?—A. No, sir; the subject never came up.

Q. Did you ever speak to anyone else about the matter of remuneration for Mr. Erskine?—A. No, never; as far as Mr. Erskine is concerned.

Q. Was he to receive, directly or indirectly, any compensation?—A. He was not, as far as I know, and I am very positive that Mr. Shank would never discuss a subject of that kind without consulting me.

Q. You had or have no intention of doing so?—A. None whatever.

Q. Did you ever discuss the matter with Mr. Newman?—A. I did not.

Q. Did you or, rather, did Mr. Newman ever tell you what he said?—A. Well, I remember Mr. Newman spoke to me about Mr. Erskine having considerable knowledge on hospitals and hospital construction, and that it would be a good idea for me to meet Mr. Erskine. But that was only in an incidental and helpful way.

Q. He never talked about compensation?—A. No; he did not.

Q. And there is no way within your knowledge that he could have received any consideration of a money character?—A. I know there is not, because the Speedway Park books are kept in Shank Co.'s office, and all checks or vouchers are signed by Mr. Foster. Their books are open and aboveboard, and our auditor has gone over them once or twice, and I know that no consideration could be paid to anyone without my knowledge.

Q. I believe you stated in your original examination that you had regarded Mr. Erskine as in some way connected with the Government?—A. The first time I ever heard of him was when Mr. Shank telephoned that several doctors were going to visit the Speedway with Mr. Erskine and several other parties, asking me to also come out, which I told him I could not do, as, I believe, I was just

leaving the city. He afterwards reported the general talk on the way out and on the ground, and somehow gave me the impression that Mr. Erskine was connected with the Government, though I did not make any definite inquiry. Later Mr. Newman spoke of Mr. Erskine as being one of his clients and having more or less to do with affairs in Washington. I also learned, incidentally, through some mutual friends who he was.

Q. Was Mr. Erskine's attitude in the whole matter consistent with the suggestion that his only interest in the matter was a sentimental one and a desire to have a permanent fireproof hospital in Chicago?—A. I think this will show clearly the impression I had in mind: He suggested at one time calling on various business men in Chicago to assist financially in this proposition, which I refused to consider, fearing it might give the impression in Chicago that I was trying to interest others in the way of furnishing funds to further a proposition which I wanted to sell to the Government.

Q. Is this an accurate statement, according to your knowledge and information, that Mr. Erskine was largely influential in presenting this project and persuading the undertaking, and had no pecuniary interest in the matter or any expectation of consideration or remuneration in any form from the participation therein?—A. He had no pecuniary interest in it and made no intimations that he would expect anything of that kind.

Q. And he was influential in presenting the project and persuading the undertaking?—A. Yes; he was, very much so, in obtaining the first interview with the Secretary of War, Mr. Baker.

Q. And getting you enthused in the subject, as well?—A. Yes; very much so.

Edward Hines, having read the foregoing testimony. It is subscribed and sworn to by him this 15th day of November, 1918.

EDWARD HINES.

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#### NEWMAN EXHIBIT 3.

RECORD OF EXAMINATION OF MR. JACOB NEWMAN, NOVEMBER 5, 1918.

Mr. Newman, being first duly sworn by the Inspector, was interrogated as follows:

Q. Where do you reside, Mr. Newman?—A. Chicago.

Q. What is your business?—A. I am an attorney at law.

Q. When was the matter of the proposed construction of a hospital on the so-called Speedway Park in Chicago, first brought to your attention?—A. In the spring or early summer of 1918.

Q. And by whom?—A. I think somebody connected with or associated with Mr. Hines, or Mr. Hines himself; I am not sure.

Q. What was the nature of the project first discussed with you?—A. My personal recollection is that I was asked to look over a form of proposal, and put it into English—a proposal to the Government offering to convey the 320 acres of the Speedway Park land, and construct thereon a fire-proof hospital satisfactory to the Government. I do not know who had drawn the rough outline of the proposal.

Q. Had you previously been consulted by Mr. Shank in regard to some other proposed disposition of the Speedway, in which the Government was concerned?—A. No, sr. My recollection is that the first I knew anything about the matter was when I was asked to correct and put into proper shape this proposition to which I have just alluded.

Q. Do you recollect who was present at the time the matter was first presented?—A. I can not at this time state with any degree of accuracy as to the individual who asked me to look over the proposal. The reason is that I have examined three or four proposals since that time, and have gone over them.

Q. Was it subsequently reported to you that the proposition was meeting with some obstacles, and was not going forward just as anticipated?—A. The first information I ever had on the subject of hostility to the project, was a letter which was shown to me in my office written by Maj. Hornsby. I do not know who has the original of that letter at this time. It was at one time in my possession.

Q. What was the character of that communication as you now recall it?—A. In brief, that the Government would have nothing to do with the project.

Q. What was the form of the project that was disposed of in that manner by the communication?—A. That I do not know, because that letter was written

before I had been consulted; of course, I have since learned, but not of my own knowledge.

Q. What was the character of it, as you have since learned?—A. It was a proposal made by Mr. Shank to Col. King, who, I think, was at that time in the Surgeon General's office, and to a Maj. or Col. Magnusen, a physician who was living in Chicago, and who was also in the Surgeon General's office. This proposal contemplated the erection of a fireproof hospital on the Speedway Park, but whether this proposal was in writing or by word of mouth I do not know, and I have always understood that Col. Hornsby's letter had something to do with this original proposal. Of course, this information comes to me through others.

Q. Was the mission on which you were first engaged professionally in connection with this matter purely of a business character, and relating to a business proposition or did you at that time know that Mr. Hines had proposed a substantial contribution to the Government, in connection with this proposed enterprise?—A. As I have stated, by connection with the matter resulted from a request that I look over, and revamp, and put into proper shape, a proposal to the Government on this subject. At that time I knew nothing about Mr. Hines's contribution. That was explained to me later on, and I learned of it subsequently.

Q. Did the form of proposal which you were asked to revise suggest anything in the character of a contribution, or rather, was it a purely business proposition?—A. It was a plain, simple, business proposition. Here was this land and the improvements with the land, and the proposal to erect a fireproof hospital in a manner satisfactory to the Surgeon General's Department for a specific sum of money. That was the original proposition which I revised and put into shape, probably a half dozen times, until it became satisfactory.

Q. Was it made known to you at that time that the structure proposed to be erected by Mr. Hines or Mr. Shank, considering the value of the ground and improvements, was to cost considerable more than the amount to be realized from the Government?—A. That subject was frequently discussed in my presence, and Mr. Hines figured out, as I now recall it, that he, or rather the holders of the bonds secured by mortgage upon this property, would lose over a million dollars. Sometimes the figure would be as high as twelve hundred thousand dollars. Of course, the variance arose from the different valuations put upon the property.

Q. Had you anything to do with a proposal that was made to the Ordnance Department to sell the land and improvements outright for a fixed sum of a million and a quarter dollars?—A. Nothing.

Q. Did you know of any such proposition?—A. Not until many months after it had taken place.

Q. After receiving the communication which was shown you, from Col. Hornsby, stating that the Government was not interested in the proposition as then presented, did you revise the proposition and prepare a submission in another form?—A. I changed the draft frequently in order to present as clearly and concisely as I could, the merits of the proposition. I probably redrafted it a half dozen times, if not more.

Q. I wish, Mr. Newman, that you would briefly state on the record something of your own experience as a lawyer, as if you were qualifying as an expert on a legal question in the Supreme Court of the United States, so that if I have occasion to refer to your information or testimony, I will be able to identify it.—A. I have been practicing before the Illinois bar for over 35 years. I have represented at various times and conducted important litigation for the First National Bank of Chicago; the Corn Exchange National Bank of Chicago; the National Bank of the Republic, Chicago, and a number of the other banking institutions. I have been, at various times, connected with what has been generally known as important litigation in Chicago; in the reorganization of our traction system in Chicago, which took place some eight or nine years ago. I represented over 60 banking institutions in the city of Chicago and outside of the city of Chicago who were creditors of the traction company, about six millions of dollars. I participated in that very difficult litigation in which Mr. George Wickersham, Mr. Lewis Krauthoff, of New York (who recently died), and Mr. Henry Taft, another well-known New York lawyer, were engaged. I represented the bondholders in the reorganization of the Chicago, Milwaukee Electric Railroad, and consummated that reorganization involving securities to the amount of about \$15,000,000. I represented the minority stockholders of the Chicago, Rock Island & Pacific Rail-

road, in the contest they made about two years, against the foreclosure and sale of the Rock Island property in the United States court in Chicago, when certain interests had a receiver appointed and sought to foreclose certain mortgages resting on the property. That reorganization was consummated without foreclosure, and I was one of the active counsel in the litigation in Chicago. Thirty-five years is a long time, and I am just trying to recall a few of the other important cases in which I was engaged. I am a member of the Chicago Bar Association, a member of the bar of the Supreme Court of the United States, and, of course, of the State of Illinois.

Q. Do you know Mr. Erskine?—A. I do.

Q. Have you represented as counsel certain enterprises in which Mr. Erskine has been interested?—A. In the spring or summer of 1918 my firm was retained to reorganize and consolidate what was known as the Interstate Iron & Steel Co., having a plant in East Chicago, Ind., and a plant in Ohio, and the Grand Crossing Tack Co., whose plants were located at Grand Crossing, in the southern section of the city of Chicago. These two concerns, under our guidance, were finally consolidated, having a total issue of bonds and stocks aggregating \$7,500,000. Mr. Erskine had secured control of the Grand Crossing Tack Co., in conjunction with another gentleman, and the two figured in its consolidation with the Interstate Iron & Steel Co. The Grand Crossing Tack Co. had values amounting to, I think, between three and four millions of dollars. In that way I became acquainted with Mr. Erskine—very well acquainted with him—and he was under great obligations to my firm in this consolidation matter. Mr. Erskine is a substantial stockholder in the consolidated company.

Q. Have you kept in touch with his activities and interests since that time?—A. He is still connected with the Interstate Iron & Steel Co., and represents them in Washington. Just the exact nature of his representation of the Interstate Iron & Steel Co. I do not know. I am the general counsel of the Interstate Iron & Steel Co., and am on an annual salary.

Q. Have you ever talked with Mr. Erskine about this Speedway Hospital project?—A. Yes, sir.

Q. Do you recall when the matter was first discussed between you?—A. I have talked with him so often about the matter that it is rather difficult for me to locate the exact time, but I am inclined to believe it was in the spring or early summer of 1918.

Q. Did Mr. Erskine bring the subject to your attention, or did you approach Mr. Erskine in regard to the matter?—A. My recollection is that I told him about the troubles Shank Co. were having, and asked him whether he could not get Shank Co. or Mr. Shank an introduction so that they could get a fair hearing on the project. That is my recollection.

Q. I would like to know the reasons why it occurred to you that Mr. Erskine might furnish the necessary introduction.—A. I knew that he was in Washington. I knew that he knew many men of prominence, and stood well in Washington, and that if anybody could get a hearing I thought he would be able to enable the Shank Co. to get a hearing, which they up to that time had been utterly unable to do.

Q. Can you recall whether, at the time of that interview, the hospital project had taken its final form, substantially as incorporated in a contract later on?—A. My recollection is that there were no substantial changes, so far as I personally know, from the final proposal that I drafted.

Q. And that final proposal that you drafted had been prepared before this interview, as you recall it?—A. That would be my present recollection, although I have nothing definite on which to base it.

Q. At that time did you regard the matter as an advantageous business proposal, from the point of view of Mr. Shank or Mr. Hines, so that the suggestion to Mr. Erskine to bring about an introduction was to result in a business transaction which would be advantageous to your clients, Mr. Shank and Mr. Hines?—A. I went into the subject very carefully, as a lawyer would under those circumstances, and I looked upon the proposition as an extremely advantageous one to the Government, full of merit from beginning to end, and my only fear was that when Mr. Hines and Mr. Shank estimated that their loss would be somewhere in the neighborhood of one million to twelve hundred and fifty thousand dollars—I was afraid, and always told them so—that I thought their loss would be considerably beyond that sum.

Q. Yes; but the point I desire to bring out was whether or not you saw any business advantage in it to your clients?—A. None whatever, Major.



Q. And your purpose in engaging Mr. Erskine's interest was simply to further the desire of your clients to do this thing?—A. Yes, sir. It may be proper for me to say that, as the matter progressed, I felt as a lawyer naturally does, looking to the financial interest of his clients. I felt that the loss would be so great that Mr. Hines could not afford to make the offer to the Government, and I pleaded with him to withdraw it on several occasions, and at one time I sent him a telegram substantially covering that ground.

Q. Mr. Shank has his own business, quite independently from any connection with Mr. Hines?—A. There is no connection whatever.

Q. His only connection with Mr. Hines, so far as you know, being their several interests in this particular property?—A. That is all; I never heard of any other proposition.

Q. You were attorney for Mr. Shank?—A. Never.

Q. Only for Mr. Hines?—A. Only for Mr. Hines.

Q. And had consulted with Mr. Shank only by reason of Mr. Hines's interest in this property?—A. Of course, Mr. Shank and Mr. Hines holding these bonds on the Speedway property and thereby owning the property, they frequently consulted me jointly, and I had a number of interviews with both of them, but I never represented Shank Co., or Mr. Shank. I have represented the Edward Hines Lumber Co. and Mr. Hines for a great many years.

Q. Had Mr. Hines discussed with you his motives and desires in making this project possible to the Government, and which you considered of great advantage to the Government, and why was it, so far as you could ascertain from Mr. Hines, that he desired to do this thing which would result, in your opinion, in a loss?—A. Whenever I called his attention to what I considered the great financial risk he was taking in making the offer he told me that he had made up his mind, whatever the loss might be, to do something in memory of his son Edward, who had died in France in the service of his country, and that he proposed at some time or another to dedicate that hospital as a non-sectarian hospital for the use of the public, and that was why he refused to follow my advice to withdraw the proposition.

Q. How long have you known Mr. Hines?—A. About 20 years.

Q. Did you regard that attitude and disposition consistent with Mr. Hines's character as you knew him?—A. Yes; especially so because both he and Mrs. Hines were deeply affected by the death of their son. I have seen Mr. Hines in my office time and time again crying like a little child when he referred to the death of his boy.

Q. How old was the boy?—A. Twenty-one, and the oldest child.

Q. Would you say that Mr. Hines has been on other occasions public spirited and interested in charitable and civic matters of an important character?—A. Mr. Hines gives very freely and very liberally.

Q. You knew that, did you?—A. Yes, sir.

Q. Therefore, this proposition did not seem unusual or of an unusual nature under the circumstances?—A. No, sir; except in its magnitude. I had never known him to give anything that involved so much money.

Q. After your talk with Mr. Erskine suggesting that he interest himself to the extent of securing a hearing for Mr. Shank, did you bring about an introduction to Mr. Hines?—A. Some time after that talk with Mr. Erskine, my recollection is that I introduced him to Mr. Hines. Whether that introduction took place in Chicago or in Washington, I do not now recall.

Q. Did you have any discussion with Mr. Erskine about the matter of reconstruction hospitals?—A. Mr. Erskine talked about it in a very interesting way, and he seemed to have a good deal of knowledge on the subject. I did not.

Q. Did his conversations disclose that he had made a special study of the subject?—A. I would judge so, from the familiarity which he displayed.

Q. Did he seem to show a patriotic interest in assisting in the projection of development institutions for the country?—A. I so understood from his general conversation.

Q. Had you ever known Mr. Erskine, prior to that time, to interest himself in projects which did not promise substantial money returns?—A. I was not familiar with any.

Q. You are aware that subsequent to your talk with Mr. Erskine about this matter, that he took a very active part in any of the negotiations and arrangements?—A. Yes, sir.

Q. How do you account for Mr. Erskine's interest and enterprise, or connection, with this project?—A. So far as I know, he got interested in the project because it was a fireproof hospital and I asked him to help me.

Q. Do you think that he had any idea of personal pecuniary gain or profit in connection with the enterprise?—A. So far as I know, he is not to receive any compensation for what he has done.

Q. When you suggested that he interest himself to the extent of securing an introduction, what was your idea in regard to that?—A. I thought he would do it because I asked him to.

Q. And he appeared to be quite willing to do so on that basis?—A. Yes, sir.

Q. Did you ever discuss any matter of compensation for him in regard to this whole matter?—A. I said to him that I was going to charge my client a fair fee for my legal work in this matter, and that if he helped me he probably would be put to more or less time, trouble, and expense, and therefore I felt it would be only fair for me to share some part of my fee with him. He asked me if I thought it right for him to do so, and I told him I saw no reason why he should not, and that I would insist upon his doing so, as I would not feel right unless I gave him a portion of my fee. I thought I had persuaded him to my view, but soon after he told me that he did not think it right for him to take any compensation, and this has been his attitude ever since.

Q. He finally said, "No"?—A. Yes, sir.

Q. When was that?—A. I talked with him several times on the subject.

Q. Was it still your feeling or desire that you would at some period ask him to share in that fee?—A. When Maj. O'Brien and I drew the contract, and it contained a provision inserted by Maj. O'Brien that if any compensation was paid to anybody, directly or indirectly, for procuring the contract, that the contract could be canceled, and that the Government, in addition to that, could recover double the amount, I reached the conclusion that what I had urged on Mr. Erskine would be highly improper, and I told him so, and I then told him that in view of that provision that whatever I had said to him must be understood as being absolutely withdrawn.

Q. What was his response to that?—A. He said it made no difference to him, as he meant what he had said, that he would take no compensation.

Q. Of course, you expect to respect that absolutely in good faith, that he is to receive nothing?—A. Absolutely.

Q. So that your own position in the matter may be fully understood, this being in its inception, viewed as a generous project, to provide the Government with something which it could not otherwise obtain, and from the fact that it was not a business project on the part of Mr. Hines, primarily, what was your thought about accepting compensation for your part?—A. I was to be paid for my legal services.

Q. Merely to see that Mr. Hines, in his desire to carry out this project, did not do something else?—A. That is all. In fact, I have urged Mr. Hines, not within the last four or five weeks, but prior to that time, to withdraw the proposition; that he was going to lose more money than he anticipated; and I called his attention to the fact that the Government architects in Chicago had figured that the fireproof building, together with the six additional structures contemplated in the original contract drawn last August, that the cost would be over \$2,250,000. I also understood that the construction department in Washington had figured that the cost would be over \$2,300,000. I always looked upon the naked land as being worth in the neighborhood of \$500,000.

Q. Did that item of \$500,000 include the drainage, water supply, and those improvements we might refer to as underground?—A. I have always figured that land, from the best information I have been able to secure, as being worth from \$1,250 to \$1,500 per acre: that is, for the naked land; taking into consideration its location and 320 acres in one unbroken body within 10 miles from the business district of the city of Chicago.

Q. You knew it was contemplated by the contract, as finally drafted, that the Shank Co. was to receive \$2,500,000 for the original construction contemplated?—A. For the land, improvements under the land, the fireproof hospital, and six structures.

Q. I wish you would give me the estimates according to your own judgment, showing what that project, as covered by the draft of contract in which you participated, represented as a contribution by Mr. Hines if carried out precisely as provided, and I would be glad to have you cover specifically the various items entering into your judgment, if you will do so.—A. If the Government were to go into the market and buy this land and the improvements before any building began, my judgment is that the Government would have been unable to buy the naked land and the underground improvements for less than \$750,000. To build these structures contemplated by the August contract

would be at least an additional \$2,250,000, making a total cost of \$3,000,000. This sum does not include the 35 additional buildings which the Surgeon General's office and the construction department requested the Shank Co. to bid on after the August contract was drawn.

The Speedway Park project has actually cost, in dollars and cents, in round figures, over \$1,700,000. The August contract contemplated the payment of \$2,500,000 for all the land, improvements underground, and a fireproof hospital and six additional buildings.

If the fireproof building and six additional buildings were to cost \$2,250,000 all that the Shank Co. would get under the contract for the land and underground improvements would be \$250,000.

Now, the underground improvements, I do not know what they cost and I can not figure accurately as to that but the substance of the whole matter is that Hines and Shank would get \$250,000 for what cost them over \$1,700,000, unless by using some of the material on the ground they could reduce the cost of erecting the fireproof building and six additional buildings below \$2,250,000, so that whatever they would save in the way of using some of the lumber and other material on the ground should be added to the \$250,000. Now, I doubt very much from what I know of the subject that they could save \$200,000, and if they saved an additional \$200,000 they would be doing marvelously well, so that they would be getting in round figures, according to this estimate, \$450,000 for what actually cost them over \$1,700,000.

Q. You knew that there had been a former proposition to sell the entire tract with its improvements for \$1,250,000 to the Ordnance Department, did you not?—A. I have no recollection of that figure, but doubtless in the various talks they may have been mentioned.

Q. Assuming that to be so, it would merely mean, taking that as basis rather than \$1,750,000—it leaves their contribution about \$800,000 approximately?—A. Yes, sir.

Q. You knew that Mr. Shank had estimated the cost of the construction of this hospital and six additional buildings, did you not?—A. I knew he had, in a rough way, and that is what worried me. I was constantly afraid that he was not as accurate as he ought to be, because he did not have any definite final plans from which to figure, and he was compelled to make his estimates because the final plans were not finished by the Government architects until four weeks after that contract was drawn. By final plans I mean the final working plans. The rough plans, of course, had been agreed upon and O. K'd both by the Government and the Shank Co., and that was what was worrying me.

Q. As a matter of fact, the final plans did add considerably to the cost?—A. I understand \$250,000 over what was originally contemplated. I never knew a case in which the actual cost of the structure did not exceed the architect's estimate, except in one case, and that is in the construction of the courthouse in the city of Chicago, and that has been one of the marvels.

Q. In the computation which you have just made by request you did assume the cost of this hospital project to be as estimated by Mr. Shank at \$2,250,000?—A. I assumed that the figures of the construction department and the figures of the Government architects in Chicago were just as likely to be correct as the figures made by Mr. Shank. I took the figures as made by those two departments as a basis for my calculations.

Q. What was Mr. Shank's figure?—A. I do not recall.

Q. What did you take as your basis?—A. I took as a basis for my calculations the figures furnished by the construction division and by the Government architects, when the final working plans had been completed.

Q. And what was that amount?—A. Between \$2,250,000 and two million three hundred and some odd thousand.

Q. Did you not know that in that estimate the construction division had taken into consideration the utilization of such of the material above ground as could be availed of?—A. That was my understanding, because the contract especially provided that Shank should have the right to use that material.

Q. And Mr. Shank's figures had also been based upon the utilization of such material?—A. I so understood.

Q. No doubt about it?—A. No, sir.

Q. So that when you suggested, in your computation, a further saving by reason of utilizing something of that which might be possible for them to use, did you not overlook the fact that these figures which you were using as a basis already contemplated the utilization of that material to its fullest extent?—A. What I had in mind in making that statement was that if they were able to

take advantage, over and above their own rough calculations, the most they could save might be \$150,000 to \$200,000.

Q. Beyond what had been considered when they made up their figures?—A. Yes; of \$2,250,000 and \$2,300,000.

Q. Now, Mr. Newman, do you know whether Mr. Shank or the officers of the Construction Division, in considering the utilization of materials there, made an allowance for it at some valuation, or did they disregard it because it all belonged to the Shank Co?—A. Unless Shank was crazy, having bought and paid for the property, he must have made an allowance for it, but whether he actually did or not I do not know, and the same must be true in the figures made by the Construction Department. It is inconceivable that the Government would demand that this property should be used, and to pay no one anything for it, and to make no allowance for its use, because if it did not exist on the ground it would be absolutely necessary to buy it, and the fact that it was on the ground should make no difference, and should be treated precisely as if it had been bought for this specific purpose and paid for. The mere fact that it had been bought in advance does not change the character of the situation one iota; unless the purpose of the computation was to determine what additional expense Mr. Shank might be put to, which presents an entirely different question.

Q. Were you present in Washington when the draft of contract was signed by Mr. Shank?—A. I was; yes, sir.

Q. And the plans and specifications initialed by Mr. Shank and by an officer of the Construction Division?—A. I was present; this occurred on the afternoon of August 30, 1918, in Col. Wright's office.

Q. You recall that the contract or draft of contract as finally prepared contained a provision in the second paragraph referring to the immediate progress of the work of construction, and contained some language to the effect that while the plans and specifications which had been identified were insufficient for working drawings, copies had nevertheless been delivered to the contractor, or "owner," as it was stated in the contract, and that he was to "proceed forthwith" with the construction, and that the architect employed by the Government would as promptly as possible deliver the additional plans? Do you recall such a provision?—A. I do. Maj. Arthur A. O'Brien drew the draft of the contract. He consulted me at various times, representing the other side, with respect to the various provisions. That contract or draft of contract was in process of construction from about the 12th of August to the 28th or 29th. The clause to which you direct my attention, which provides that Shank Co. shall proceed with the work immediately, although the finished plans were not in existence, was inserted by the Government.

Q. As a matter of law, there can be no question that the reference to "now" and "immediately" and "forthwith," as incorporated in that provision, referred to the time when the contract became a binding obligation, is there?—A. That view might be taken. The contract itself is without date. It was, however, signed by Shank Co. and delivered to the Government. The question naturally arises whether Shank Co. was not bound by that contract. I would say frankly that I am not clear in my own mind. Here one party to the contract signs it and delivers it to the other party. Of course, the ordinary rules of construction do not always apply to governmental contracts because the Government officers are controlled by the statute; and if there is a Federal statute which declares that no contract shall be binding or in effect until signed by the Secretary of War, it presents another proposition.

Q. In order to elicit your aid in determining the legal situation—and I ask this to have the assistance of your opinion as a lawyer—can not we agree upon the legal aspect of the matter, that under the form of construction used in the draft of contract, and the fact that it was intended to be executed as a formal instrument, and that matters under consideration were of such character that they could not be consummated without a formal written document, wasn't it clearly indicated that those provisions referred to were to become effective at the same time as the document became effective as a binding instrument?—A. Ordinarily, yes. But there were peculiar circumstances surrounding this situation.

Q. Judging it purely from a legal standpoint, do you know of any exception, in view of the fact that the Government was a party to the contract?—A. My answer would be this: My understanding is that the Government is never bound by a written contract unless it is signed by some officer authorized by statute to sign the same.

Q. And this document signed by Mr. Shank for the Shank Co. was never so signed by any Government officer so far as you know?—A. So far as I know, it never was.

Q. Were there circumstances surrounding the preparation and execution of the draft of contract by Mr. Shank, which might, in your judgment, entitle Shank Co., under any circumstances, to equitable relief or consideration in connection with the transaction, assuming that there has been some work done upon the project?—A. To my mind the equities strongly support the Shank Co. for the following reasons:

(a) Shank Co., by the direction of the Government, on August 30, 1918, formally executed a contract and delivered the document so executed to the Government.

(b) At the time the document was executed the Government directed George H. Shank, president of the Shank Co., who signed the document on behalf of his company, to proceed forthwith to Chicago and begin work under the contract so as to complete the structures before cold weather set in.

(c) At the same time the Government stated to Mr. Shank that the hospital architects, Schmidt, Garden & Martin, would be from that time on retained by the Government to complete the plans and specifications and make the necessary working plans, and directed Shank Co. to pass a resolution releasing Schmidt, Garden & Martin from the service of the Shank Co. so that they might enter into the service of the Government. And at the same time the Government directed Richard Schmidt and Hugh Garden, who were present at the conference on August 30, 1918, to proceed to Chicago and to complete the working drawings so that the work on the hospital could proceed without delay. On the evening of August 30, 1918, George H. Shank, Richard E. Schmidt, and Hugh Garden, under the direction of the Government, proceeded to Chicago in order to carry out their instructions.

(d) September 1 or 2 (the Monday following) was Labor Day and no work could be done. The Shank Co. began work on September 3, 1918, and continued the work. While the work was going on, Schmidt, Garden & Martin superintended the work as the Government architects and had their representative on the ground every day, and my information from Mr. Shank is that the Government had one or two of its own superintendents on the ground superintending the construction. This shows clearly that all the parties were acting in good faith. The Government sent a large number of letters to its representative in care of the Maywood Hospital at Speedway Park. I am told that more than 50 letters were sent and delivered by Shank Co., or its superintendent, to the officers of the Government, as called for by the same.

Of course what I have said about the work, the manner of conducting it, and what superintendents were there, is all information received from Mr. Shank, and personally I have no knowledge on the subject.

(e) Maj. O'Brien informed me that about September 18, 1918, he was sent for by Assistant Secretary Hare and the draft of contract was critically examined by Mr. Hare in conjunction with Maj. O'Brien, and Secretary Hare pronounced the document signed by Mr. Shank as all right, and that the Government was fully protected. In an interview I had with Secretary Hare on October 1 or 2, 1918, he admitted, in Maj. O'Brien's presence, that this had taken place.

(f) It is only fair and proper for me to say that when Col. Wright requested the Shank Co. to sign the draft of contract on August 30, 1918, he said to the gentlemen who were present at that conference in his office that inasmuch as the departments who have this matter under consideration, and who are authorized to speak and act, have all approved the project, "I will at once prepare my report to the General Staff and the signatures of the Government will be authorized as a matter of form because all the departments have approved of the project." There were present at this conference, Maj. A. A. O'Brien, Col. C. C. Wright, A. D. Erskine, George H. Shank, Richard Schmidt, Hugh Garden, Jacob Newman, and one or two other officers, but just who they were I do not recall.

Q. You referred in your statement to the directions of the Government to Mr. Shank to return to Chicago and proceed with the work. I wish you would state the conversation as you heard it, giving me the names of the officers concerned, as you now recollect the matter.—A. The foregoing conference took place in Col. C. C. Wright's office about 4.30 p. m., August 30, 1918; it was rather an animated conference, and Col. Wright expressed his satisfaction at the splendid fireproof hospital the Government would secure, and especially was pleased with the fact that it had the hearty approval of the Surgeon General's office.

In the course of the general talk the severity of the winter in Chicago of 1917-18 was referred to, and Col. Wright expressed his fear that Shank Co.

would not be able to do the work and have it ready for use and occupancy before cold weather set in. And as this phase of the matter was discussed Col. Wright said to Mr. Shank: "The only way to complete this job in time is to start on the work at once, and the Government is very anxious to have the work completed before cold weather sets in."

I do not pretend to give the exact words of Col. Wright, but I am giving the substance. Col. Wright also expressed some fear that the work on the hospital might be delayed because it would probably take Schmidt, Garden & Martin two or three weeks or longer to finish the detailed working drawings which were necessary to do the work.

Q. Did Col. Wright mention how long it would take him to prepare his report?—A. He did. Col. Wright said he would start in that night and would also work Sunday, so as to have his report ready for presentation on the following Monday.

Q. Isn't it a fact that there was no doubt in the minds of anyone present there at that conference, so far as was disclosed by anything said or done, that there was any doubt about the approval of the contract?—A. Not the slightest. Col. Wright said: "Gentlemen, inasmuch as all the departments have approved the project the signing of the contract is a matter of form, but the regulations must be complied with, and I must make a formal report embodying all the features and present it to (some gentleman) connected with the General Staff." He mentioned the name, but I do not now recall it. It may have been Gen. Jervy or Dr. Kuppel.

Q. Did Mr. Erskine contribute somewhat to the impression of certainty that the matter would go through by reason of his attitude or his reference to his original conference with the secretary?—A. Everyone participated in the conference and did more or less talking. Whether Mr. Erskine said anything along the line of your question I can not now recall, though I would not wish to be understood as saying that he did not, but I can not say with any definiteness.

Q. I want to get your fair opinion upon this feature: Whether it was not a fact that with a complete understanding by all parties that the signature and approval of the Secretary was essential, that, with complete accord and information, everyone was willing to take a chance on going ahead and risking the final approval \* \* \* by the Shank Co. was in accord with that understanding?—A. Major, I would not be honest with you if I did not say in answer to your question that, at least so far as I am concerned, at that conference I recognized the absolute necessity of the signature of the Secretary of War. What was in the minds of the other parties I can not say, but I want to be open and frank with you about it and tell you so. I am satisfied that Col. Wright acted in perfect good faith and had not the slightest doubt that the signature would be secured the following Monday, and that the other parties had not the slightest idea that the matter would not be executed the following Monday.

Q. The only point I wish to bring out, Mr. Newman, did not Mr. Shank and Mr. Erskine understand, as well as Col. Wright, that the signature was essential to the contract, and that the contract was not concluded or completed until that signature was secured, but that in their interest and in view of the importance of getting at the work, that everyone, with their eyes open to the risk being taken, were willing to succeed?—A. I think that is a very fair interpretation of the conference.

Q. Assuming, then, Mr. Newman, that the original progress of the work was undertaken with a perfect understanding of the risk run, was there any point thereafter when the situation changed and the obligation of the Government, if any, to afford equitable relief arose?—A. My answer is, decidedly, yes. As I have already stated, my understanding is that the Government, by its duly authorized representatives on the ground, supervised and directed the construction. The Assistant Secretary, Mr. Hare, had examined and approved the contract. The Government recognized the existence of the contract and the work by giving it a number and addressed its communications to its own officers in care of this number at the Speedway Park. And the Government in other ways recognized the work that was being done and that it was being done for the Government. Now, whether the individual officers who did the foregoing things had the statutory authority to do them I do not know, and I do not pretend to pass upon.

Q. But assume, even in that respect, that the knowledge of the Government of the progress of the work was coupled at the same time with the knowledge of the "sporting chance" which the contractor had taken in proceeding with the

work, would not that modify your judgment as to the arising of an equitable obligation?—A. No; I think not. I think when the Government officers in good faith recognized the work, superintended and directed it, it does seem to me that the contractor has the right to believe that he is acting under the authority of the Government. Whether technically exercised or not I do not pretend to pass upon.

Q. Would you not rather agree with me in the proposition that a claim for equitable relief, if any, originated at that point where disposition of the original contract was indicated, and that thereafter the continuation of new negotiations and the suggesting of a new proposition, with the knowledge that the work was progressing, might well start a claim for equitable relief at that point rather than from the knowledge that the work had progressed before that time?—A. When Mr. Hines and Mr. Shank came to Washington, about five weeks ago, and were informed by Assistant Secretary of War Crowell, in a letter he wrote to Shank Co., stating that the Government had no written contract with the Shank Co., the Assistant Secretary of War himself, through Mr. Hare, requested the Shank Co. to bid upon about 35 additional buildings, which had not been contemplated or referred to in the August draft of contract, and the construction department furnished elaborate plans and designs to enable Shank Co. to bid upon these additional buildings, and Shank Co. did, in compliance with the request of the Assistant Secretary of War, bid upon these additional buildings and, at the suggestion of the Secretary of War, incorporated the August draft of contract with these additional buildings.

Q. Was there any order given prior to that time to stop the work?—A. Not that I know of, although I understand that the Shank Co. received a telegram from some official in Washington that the Government had not signed the August draft of contract, but whether that telegram ordered them to stop work I do not know.

Q. Don't you recall that the same telegram suggested that if they were going ahead, it was at their own risk?—A. I do not recall; I may have seen it, but I am not sure.

Q. Do you know a Mr. Milton J. Trainer?—A. I do.

Q. How long have you known him?—A. The first time to my knowledge that I ever met him was, I think, in July or August, 1918.

Q. Do you know what his business is?—A. He was in the real estate business, belonging to the firm of Clark & Trainer, at Chicago. I understand he is now in the service of the Government.

Q. Do you know in what capacity?—A. I understand he was in the real estate division, but I have lately been informed that he is a member of a commission of three gentlemen who are authorized to select hospital sites in the West, but I am only speaking from information; have no personal knowledge.

Q. Where did you meet him and under what circumstances, in July, 1918?—A. I would prefer, Major, not to discuss the matter, because it occurred in my office, and I do not want to be put in the position where anyone can say that I disclosed what occurred in the privacy of my office.

Q. The gentlemen who came to your office were not clients of yours, were they?—A. They were not; I had never seen him before.

Q. The information was not received in a manner in which, in a court investigation, you could claim it pledged?—A. No, sir.

Q. You recognize that in a grand jury investigation there would be no grounds upon which you could refuse to answer the inquiry?—A. I think not.

Q. Then, I think, Mr. Newman, that without attempting to suggest that you are compelled to answer, I would urge your consideration of the right of the Government to go into the situation, and I feel it is your duty to state fully all the information which you have in regard to the matter, and which I regard as very material to this inquiry.—A. I assume, then, Major, that you have some information on the subject.

Q. You are correct, or I would not ask you this; I have sufficient information to justify the specific inquiry into your transactions and conversations with Mr. Trainer, as coming within the scope of my investigation.—A. \* \* \* probably know the facts, and my duty to the Government, I suppose I ought to answer the question. Some time in July or August of 1918, Mr. Milton Trainer came into our office with his partner, Mr. Clark. I had never seen either of them before, but they said they had met me before. I had been playing golf that day, and in the midst of my golf game, I was called to the telephone and informed that Mr. Trainer had demanded either that Mr. Hines

should pay him, or secure the payment of \$100,000 as a commission in case the Government purchased this Speedway site; and that Mr. Hines was very much disturbed by the demand, and that I should immediately come in from the golf course and see him. I returned to my office and saw Mr. Hines, who told me about Mr. Trainer's demands. After discussing the matter with Mr. Hines, I instructed him to have nothing whatever to do with the matter and not pay a penny to anyone. This interview between Mr. Hines and myself took place before I met Mr. Trainer at my office. When I reached my office, either I found Mr. Trainer in the office, or he came into the office shortly thereafter. I said to Mr. Trainer, that I understood he was making a demand for the payment of a large sum of money as a real-estate commission or compensation in case the Government took over the Speedway project. I am not sure whether I mentioned the sum of \$100,000, but my present impression is that I did so. I also stated to Mr. Trainer that I understood he was in the service of the Government and he told me that he was. I then said to Mr. Trainer that he had taken an oath of office and if my client paid him a penny, or anyone else paid him any money on account of this matter while he was an officer of the Government, I would myself be the first one to inform the Government of his conduct and I assured him that it meant the penitentiary. I very clearly informed Mr. Trainer that I would have nothing to do with the matter if anyone in the service of the Government received a dollar on account of this transaction. My client had authorized me to say that he would not pay one penny and I so informed Mr. Trainer. In the course of my talk I used some pretty strong language in giving my view of the situation, too strong, perhaps, to put into the record. If Mr. Trainer made any reply, I do not now recall the same, and shortly thereafter he left my office. Some time after this conference, I believe later on in the same day, but I am not sure about the exact time, Mr. Trainer's partner, Mr. Clark, called on me at my office and suggested that inasmuch as he was not in the service of the Government, the money could be paid to him. I asked Mr. Clark whether Mr. Trainer was still his copartner in the real-estate business, and he answered that he was. I then said to Mr. Clark that it was utter idiosyncrasy for him to make such a suggestion and that the Government could send him, as well as Mr. Trainer to the penitentiary if they received any money in this matter. That ended the conversation and Mr. Clark left the office.

Q. Was the matter ever brought to your attention again, in any way whatever?—A. Yes, sir.

Q. Will you state that?—A. While I was in Washington, five or six weeks ago, my partner wrote me a letter telling me that a certain friend of mine, a gentleman about 70 years old, and who was in the Army of the Rebellion, had come to him at the office and said to him that he knew I was in Washington working on this Speedway project; that he was a great friend of mine and wanted me to succeed; but that I never could succeed without the aid of Mr. Trainer.

Q. Did anyone subsequently come to see you?—A. Not that I recall.

Q. That is the conclusion of the matter, so far as you recollect?—A. No. When I returned to Chicago I sent for the gentleman who had talked with my partner, and he told me substantially the same thing; but I do not want his name mixed up in this matter.

Q. Did he present to your partner a card with the name of Trainer on it?—A. Yes, sir.

Q. Did your partner keep that card?—A. Yes, sir.

Q. Given to him my this old war veteran of yours, whose name you do not wish to be pressed to disclose?—A. I would rather not; he is a fine old gentleman, and I think he thought he was just doing me a little kindly service.

Q. In view of that, don't you think he should be persuaded to come forward and disclose how it was that he happened to come on that mission to your office?—A. I am very anxious that the old gentleman's name should not be dragged into it.

Q. Is it any kindness or consideration to him to keep him out of it? You do not suspect that he was to participate?—A. No, indeed; he is a fine, dear old honorable man.

Q. In view of that, and your absolute conviction that he acted from the best of motives in the matter, is there any reason, under the circumstances, where it seems that this friendship for you was abused in this manner by some one, that he should not state the facts?—A. Nothing except the fact that he came and made a sort of confidential disclosure to me.



Q. Don't you think he was solicited to do that very thing by Mr. Trainer?—  
A. He says not. I asked him that very question.

Q. I do not wish to press you at this time for that disclosure, Mr. Newman, but I would urge you to have a conference with that old gentleman and obtain his consent to frank cooperation in this matter and disclose his part in it.—

A. That I will do.

Q. What is your partner's name?—A. Conrad H. Poppenhusen.

Q. His office is in Chicago?—A. Yes, sir.

Q. Going more specifically into that conversation with Mr. Trainer and Mr. Clark, when they came to your office you did not disclose who carried on the conversation in their behalf. I just wish you would repeat what Mr. Trainer said, if he was the one who did the talking.—A. You have reference to the conversation in my office after I got back from the golf links?

Q. Yes, sir.—A. I talked with Trainer. I said to him: "I understand you have demanded a large sum of money." I do not remember whether I mentioned the amount or not. Trainer said: "Yes; we are entitled to it as a real estate commission."

Q. Did Mr. Trainer or Mr. Clark or either of them suggest that they had been retained as real estate agents, or had this property on their books, or had made any efforts to negotiate, which would legally entitle them to consideration?—A. That subject was not discussed, except that Mr. Trainer insisted he was entitled to it as a real estate commission. I did not go into the details, and do not know whether they had it on their books or how they became connected, and I have no knowledge on the subject. They did not state.

Q. Will you try to recall whether you did not have a conference in your office with Mr. Shank and Mr. Hines in regard to this matter before that talk over the telephone the day you were at the golf course?—A. With regard to what?

Q. With regard to a visit from Trainer and his demand for payment?—A. My recollection is that the first I ever heard of it was when I was called from the golf field.

Q. Will you consider whether you recall a circumstance such as this: That Mr. Shank and Mr. Hines, on an occasion, called at your office, and Mr. Shank stated that Trainer had been to him, and that Mr. Hines stated in the presence of Mr. Shank that Trainer had called upon him and made such a demand, which he had immediately communicated to Mr. Hines, and wanted to know what should be done in the matter? Have you any recollection of that?—A. I have somewhere heard, from some one, that Trainer first called upon Shank, and that Shank communicated with Hines, and that Hines communicated with me on the golf course.

Q. That is your recollection, that that is the first you heard of it?—A. Yes, sir.

Q. Do you remember seeing Mr. Hines when you returned to our office that day, before you talked with Trainer or Clark?—A. I think I saw Mr. Hines before that, but that was the same day.

Q. He was not there during this conversation?—A. I think I saw Mr. Hines when I returned from the golf fields and had him explain the matter to me. Whether in my office or his office or on the street, I do not know.

Q. Does this tend to refresh your recollection in regard to it, that you advised Mr. Hines that while it was a matter which should be promptly communicated to the Government, that in view of the fact that this contract was about to be consummated that even a suggestion of that sort would probably tend to involve the whole matter in an investigation, which would delay it, and that upon your advice nothing should be done, that nothing should be said, and certainly no consideration should be given Trainer, and that after the matter was disposed of, then it would be presented to the Government?—A. I told Mr. Hines on several occasions when he expressed an anxiety to disclose Trainer's statement that, inasmuch as I had by my talk with Mr. Trainer, as I have told you, put a quietus on the whole matter, no harm was being done anybody; that the Government was not being injured, and that it would do no good and serve no useful purpose to stir up the matter, and my judgment was against doing so.

Q. Was the method by which this payment of \$100,000 was to be assured suggested by Trainer in any manner at this conversation?—A. No.

Q. Where did you get the information as to the method of payment?—A. From Mr. Hines.

Q. What was that method suggested?—A. It should be placed or deposited with some banking institution.

Q. Do you remember whose name was mentioned in connection with it? I know that Mr. Reynolds's name was mentioned or suggested.—A. Well, inasmuch as you know the name, no harm is done by telling that the money was to be deposited with Mr. Reynolds, but I am sure he knew nothing about it.

Q. And that conclusion is formed by the fact that you know the result of an interview that Mr. Hines had with him?—A. Yes; and in which he expressed himself very strongly on the subject.

Q. Mr. Reynolds is president of a bank there?—A. Yes, sir; the Continental & Commercial National Bank.

Q. He stands very high?—A. Yes; one of our best citizens.

Q. You know it is absolutely impossible that he could have had any knowledge of a demand of this character?—A. Absolutely; the subject does not bear any discussion.

Q. Do you know other people who are acquainted with Trainer and his partner, Clark?—A. Only in a general way.

Q. You do not happen to know his general reputation?—A. I do not.

Q. He has never in any way been connected with any business of yours?—A. None whatever; and as I said to you, on the day that he came into my office when I returned from the golf course is the first time I recall having seen him in my life.

Q. Have you fully stated all the facts in regard to that matter which will throw any further light on the demand by Trainer to obtain a consideration at that time?—A. I think I have given you everything of which I have any personal knowledge.

Q. Do you remember talking to Mr. Shank about the matter?—A. I think I have talked with Mr. Shank about it several times in Washington; in a general way only.

Q. But those conversations would not disclose any further facts?—A. No, sir.

Q. Are there any further facts within your knowledge material to the investigation which I have under consideration that have not been fully disclosed in the statement made by you and brought out by my questions? If not, I would desire you now to state those facts and consider my question as eliciting all other information that you now recall which might have a bearing on it.—A. I do not now recall anything of any consequence; there is a vast amount of detail, but nothing material.

Q. A little while ago you mentioned that Mr. Hare had gone over this draft of contract carefully with Maj. O'Brien. Did you have any conversation with Mr. Hare in regard to this matter, Mr. Newman?—A. On October 1, 1918, I was present at a conference between Mr. Hare, Mr. Shank, Mr. Hines, and myself, in which we gave copy of statement to Mr. Hare of what had occurred in Col. Wright's office on August 30, 1918. The next day I was seated in my room at the hotel when Mr. Shank returned from Mr. Hare's office in a very excited frame of mind, stating that I must not go to Chicago that day (as I had intended to see my son John who was returning to the Army the next day), and that I was to immediately repair to Mr. Hare's office. Mr. Shank informed me that Mr. Hare was very indignant at a paragraph in the document, which had been called "History of the Speedway Park Hospital Project," referring to the fact that he (Mr. Hare) had examined the draft of contract signed by Mr. Shank on August 30, 1918. I immediately went to Mr. Hare's office and found him in conference with a Mr. Dorr, who I understand is one of the attorneys in that department, and Maj. A. A. O'Brien. Mr. Hare was even then in an excited state of mind and asked me where I got the information in the paragraph referring to him. I told him I had received it from a gentleman, but that I would not disclose his name, as Mr. Hare demanded, until I had his permission to do so. Thereupon Maj. O'Brien, who was present, stated that he probably was the man I had in mind as having given me the information, and that I was at full liberty to state whatever had occurred between the major and myself. Thereupon I told Mr. Hare that I had received the information from Maj. O'Brien. Maj. O'Brien corrected that portion of the paragraph which stated that Mr. Hare had examined the August 30 contract "about four weeks ago," by saying that it was not four weeks ago, but it was either the 16th or 18th of September, which would make it a little over two weeks. But neither Maj. O'Brien nor Mr. Hare made any other correction in the paragraph. Thereupon Mr. Dorr and Mr. Hare cross-examined me about various portions of the "history," and I answered their several questions. In referring to the paragraph in the history under consideration, Mr. Dorr asked

me why I stated in that paragraph that Mr. Hare must have known that the contract had been drawn and signed by Shank Co., and that Shank Co. were working under that document. I told him that the last three or four lines of that paragraph were what I considered legitimate deductions from the preceding statement of facts in the paragraph, and that it was impossible for me to conceive that a man could spend two or three hours going over a contract with his lawyer without knowing everything in connection with that contract, how it arose, what was being done about it, when it was drafted, when it was signed, and everything that would naturally arise in the discussion of a voluminous contract of this character. I do not know whether I satisfied Mr. Dorr with my answer or not.

Q. Was an issue raised also in regard to the statement that the project had been approved by every department, including the General Staff?—A. Mr. Dorr read to me the closing paragraph of the "history," in which it was stated that each of the several departments had approved of the project, and asked me whether I did not think I was assuming a pretty big job when I made the statement that the members of the departments had approved it. And I told him what I had in mind in the drafting of the paragraph was that the responsible heads of these departments had approved it. That I did not mean, nor was it fair to infer from the language of the document, that two or three thousand men had approved the contract.

Q. Were you pressed for a statement as to the source of your information in that respect?—A. I think I was, and I told them that I got my information chiefly from the conference had on August 30, 1918, in Col. Wright's room. This is the conference to which I have referred.

Q. Was not the actual approval of the different departments referred to obtained subsequent to your final conference?—A. About that I do not know. I understood Col. Wright to say that all the departments had approved of the matter and that it was now up to him to present to the General Staff a report, and that there was no question in his mind that the matter would be approved by the General Staff and the contract ordered to be signed; that the procedure was a matter of form. And it was from that conference and interview that I got the impression that all the departments had approved.

Q. Can you think of anything else that might be material to this inquiry, Mr. Newman?—A. I can not; no, sir; except as I stated, a mass of details, but nothing material.

Q. If upon reading over the statement other facts should occur to you, will you indicate them and let me add them to your statement?—A. Yes, sir.

The foregoing evidence, having been read over by Mr. Newman, is subscribed and sworn to by him this — day of November, A. D. 1918.

JACOB NEWMAN.

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NEWMAN EXHIBIT 3-A.

SUPPLEMENTAL EXAMINATION OF MR. JACOB NEWMAN BY MAJ. L. W. STOTESBURY,  
I. G. D., NOVEMBER 13, 1918.

Q. Mr. Newman, I have been looking over your deposition, and there are some matters referred to which I would like to have some additional information on concerning your first meeting with Mr. Trainer and Mr. Clark; when did you first meet these gentlemen?—A. It is impossible for me to give the exact date, but it was some time in July or August of 1918. The meeting took place in the private office of my copartner Mr. Conrad H. Poppenhusen.

Q. Was Mr. Poppenhusen present at the interview which you at that time had with Mr. Trainer and Mr. Clark?—A. He was.

Q. Did Mr. Poppenhusen participate in any way in the conversation?—A. I can not now recall whether he did or did not, but there was a good deal of conversation, and it would not surprise me at all if he did participate actively in the conference, but I can not recall what he said.

Q. Did you send for these gentlemen to come to your office?—A. I did not; my recollection is that when I returned from the golf links and met Mr. Hines, either I told him to send them to my office or he told me they were coming to my office.

Q. This conference with Trainer and Clark was subsequent to a talk which you had had with Mr. Hines, at which he reported to you certain information

which he had received from Mr. Shank and Mr. Foster concerning the same gentlemen?—A. It was.

Q. What did Mr. Hines tell you in regard to the matter?—A. Mr. Hines told me that Trainer or Trainer & Clark had demanded that day that he should deposit the sum of \$100,000 with Mr. George H. Reynolds, or secure the payment of that sum in a way satisfactory to Trainer & Clark or to Trainer. Mr. Hines was greatly disturbed by this demand and insisted upon my coming into the city immediately.

Q. Did Mr. Hines state to you for what purpose this deposit or arrangement had been demanded by Trainer or Trainer & Clark?—A. Mr. Hines told me that Trainer or Trainer & Clark insisted that they were entitled to that sum as real estate commissions in case the Government took over the Speedway Park property, and that they insisted upon having the money deposited so there would be no difficulty in getting their pay after the deal had been closed.

Q. Did Mr. Hines state to you whether he personally had seen Trainer and Clark, or to whom they had made that proposition?—A. Mr. Hines told me that he had got his information from Foster and Shank with respect to the demand made by Mr. Trainer for compensation.

Q. Now, Mr. Newman, I wish you would state again fully and according to your best recollection at this time, just what was said by you and by Mr. Trainer or Mr. Clark at that interview.—A. Since I made my original deposition I have tried to refresh my recollection as to what occurred at that conference with Mr. Trainer by going over the matter with my partner, Mr. Poppenhusen. We went over the subject quite fully for the purpose of refreshing our recollections. After my talk with Mr. Poppenhusen I recall the fact that Mr. Trainer stated at the conference that he was entitled to the commission he demanded because the business had been placed in his hands before he entered the service of the Government.

Q. Go back to the very first thing that was said by anyone present at the conference in your office.—A. I was introduced, I think, by Mr. Poppenhusen, to Mr. Trainer, who said that he had met me before; and I told him that I had no recollection of ever having met him; and, in fact, he called me by my first name in a sort of jocular way. I then said to Mr. Trainer, "I understand you want Mr. Hines to secure the payment of \$100,000 as your real estate commissions in case the Government takes over the Speedway Park property." Mr. Trainer answered that I was correct. Either at this time or later on in the conference Mr. Trainer went into some details about the work he and his partner had done for the purpose of showing me why he was entitled to compensation with respect to this Speedway Park property. The conference lasted some considerable time, and I have no doubt that Mr. Trainer at various times during the conference stated why he thought he ought to be compensated. I can not recall his words or language. When I gave my original deposition the matter was not as clear in my mind as it now is after going over the subject with my partner, Mr. Poppenhusen, who refreshed my recollection on several matters which occurred at the conference.

Q. Now, will you proceed and state what was said by you and by Mr. Trainer during the conference?—A. I have given in my former deposition the substance of what I said with respect to the fact that Mr. Trainer was an officer in the service of the Government, and that the payment to him or the receipt by him of any money in the Speedway Park matter would be in violation of the Federal statutes on that subject, which made it a criminal offense punishable by imprisonment in case an officer of the Government received any compensation with reference to any Government matter with which he was connected. I further stated that if the payment of any money to Mr. Trainer in the Speedway Park matter took place that I would be the first one to disclose the fact to the Government, and that if I knew anything of that kind was occurring or would occur I would at once withdraw from the matter as counsel. My client, Mr. Hines, instructed me to say to Mr. Trainer that Mr. Hines would not pay or suffer to be paid one dollar to anyone with respect to this Speedway Park matter.

Q. Did Mr. Trainer protest or respond in any way that you recall to these remarks?—A. In discussing the matter with my partner, Mr. Poppenhusen, he refreshed my recollection with respect to one thing which I now recall that Mr. Trainer said, and that was the following: Mr. Trainer stated that he had earned the money, and it was pretty hard on him if he should not now get it. Mr. Poppenhusen also told me that he thought Mr. Trainer also said that he (Trainer) was working for the Government for nothing, and he supposed he

would have to make this additional contribution; but if Mr. Trainer said anything of this kind I have no recollection of his doing so.

Q. Did Mr. Clark take part in the interview at that time?—A. I think Mr. Clark was present at the first interview, but if he said anything at that interview I do not now recall it.

Q. You haven't the slightest doubt about Mr. Clark being present?—A. My recollection is that he was present at this interview.

Q. Was that substantially the conclusion of that first interview?—A. There was a great deal said at the interview, but I think the foregoing, together with what I said in my original deposition, pretty substantially covers the ground.

Q. Did you ever see Mr. Trainer again in regard to this?—A. I never again discussed with Mr. Trainer the subject of compensation or commission.

Q. Did you see Mr. Clark again in regard to the matter?—A. Yes; later in the afternoon of the same day or early the following morning Mr. Clark called upon me at my office and suggested that inasmuch as he was not in the service of the Government there was no reason why the commissions could not be paid to him. I did not, when I gave my first deposition, recall the fact that my partner, Mr. Poppenhusen, was present, but I understood him to say that he was present and heard what I said to Clark in answer to the suggestion that the commissions should be paid over to him. In my original deposition I think I have stated at length what I said to Mr. Clark with respect to his suggestion that the commissions be paid over to him. In substance, I told Mr. Clark that the payment to him, as long as Mr. Trainer was his partner, was a payment to Mr. Trainer and would seriously involve both of them in the violation of the Federal Statute on the subject of paying money to a Government officer.

Q. Were either Trainer or Clark in your office after that time?—A. Yes.

Q. When was that and what was the occasion?—A. The day following the conference I had with Trainer and Clark, to which I have testified, I found Trainer, Shank, Foster, Mr. Poppenhusen, and two or three other gentlemen, among them, I believe, Mr. Erskine, in my office. How they got there I do not know. I am sure they were not there at my invitation. It was on this occasion that Mr. Trainer discussed hospitals for over an hour and pointed out what the Government would demand and what the Government would do and would not do with respect to hospitals. Mr. Trainer also pulled out of his pocket a paper, which he stated, as I understood him, was a letter signed by J. Ogden Armour and James H. Patten, or one of them, offering to contribute to the United States Government, a very large sum of money, running into the hundreds of thousands of dollars, for the construction of a hospital on the site of what is known as the old Cub Ball Park, located on the west side of Chicago. I think Mr. Trainer stated that, coupled with this proposition or offer, was the fact that the donors wanted the hospital turned back when the Government was through with it, either to some institution or to Dr. Billings. I know that Dr. Billings's name was mentioned in connection with this Cub Ball Park hospital project, but just how or what relationship he bore to the project I do not now recall. We were all listeners, and Mr. Trainer practically consumed, I think a good deal over an hour in airing his views about hospitals, and gave us the impression that he was a very important factor in Washington with respect to the construction of hospitals and probably nothing would be done that did not meet his approval. At least that was the impression that I and some of the other gentlemen got from his discourse. I do not mean to say that Mr. Trainer used direct and positive language to that effect. I simply mean to say that there was the first inference to be drawn from the general character of his remarks.

Q. What appeared to be the object of that meeting?—A. I do not know. I do not know how or why it was announced or how the parties got together.

Q. Was any definite action taken?—A. Nothing was done at this meeting except talk, talk, talk.

Maj. STOKESBURY. That is all.

The foregoing evidence was read by Mr. Newman and is subscribed and sworn to by him, this 13th day of November, 1918.

JACOB KENMOT.

#### SHANK EXHIBIT 4.

RECORD OF THE EXAMINATION OF GEORGE H. SHANK. NOVEMBER 4, 1918.

Mr. Shank, being first duly sworn by the inspector, was interrogated as follows:

Q. What is your full name, Mr. Shank?—A. George Henry Shank.

Q. Where do you reside?—A. Trenier Hotel, Chicago.

Q. What is your business?—A. Building factory buildings, warehouses to suit tenants, commercial buildings, renting on long terms, and selling outright.

Q. Do you carry the business on in your own name?—A. In the name of Shank Co.

Q. What is your official relation to that company?—A. I am president.

Q. Has your company had any Government business?—A. We have constructed four warehouses for the Medical Department of the United States Government on the usual "30-day cancellation" term of lease.

Q. Where are they?—A. Thirty-ninth and Federal Streets; the Chicago Junction tracks, Federal to Dearborn.

Q. Were they constructed on contract?—A. Yes, sir.

Q. Did the contracts prescribe any time for their performance?—A. Well, the only contract we had was a letter that they would accept and occupy those buildings if we would go ahead and build them. We submitted the plans and they accepted them.

Q. It was intimated from some source that you had completed these contracts ahead of the stipulated time; is there anything in that suggestion?—A. Absolutely, in every case.

Q. Then there was a time specified?—A. In their letter they would limit the time that they would accept the buildings on delivery.

Q. And your transactions have been wholly satisfactory?—A. Very satisfactory, indeed.

Q. You have no pending Government contracts except the one in connection with the Speedway project?—A. That is all; but the Medical Department are asking me now to build another warehouse, also a garage building, cantonment. I have put an architect to work to get out those plans to see what they amount to.

Q. What did these other contracts amount to approximately, do you know?—

A. The amount of money we have expended in those warehouses, without the land, is a little over \$800,000.

Q. Is that representative of about the amount of business you have done?—A. Yes, sir; for the Government.

Q. Are you a part owner of the property known as Speedway Park?—A. Yes, sir.

Q. Is the interest personal or is it company?—A. It is company interest.

Q. What is the extent of your interest approximately—that is, the proportion of the entire ownership?—A. I have never figured up the amount, but I should think it would be about a twelfth.

Q. It is suggested that it is about one-thirteenth; do you know whether that is more accurate?—A. That probably is about right; yes, sir.

Q. How did you become interested in this property?

A. Mr. Hines called me up one day and wanted me to come to his office, and commenced talking to me about the thing, which was the first I had heard of it.

Q. Are you referring now to the hospital project?—A. No; to the Speedway Park. It was a pretty big deal. He said that a man named Reid had tried to promote it; had sold some stock and had fallen down, or, rather, that the contractors who had taken the contract had fallen down, and he wanted to know if I would take a hand in it. I told him I would if there was any chance to make any money, and it was all right.

Q. Had you done any work for Reid or the former owners before this talk with Mr. Hines?—A. No; I had never heard of it before that.

Q. As a result of this conversation with Mr. Hines what was done?—A. I entered into a contract with the Speedway Park Association to go ahead and build the track, fences, and sewers. The balance of the work was contracted afterwards. The first contract was just a contract for the sewer system, fences, and to finish the track.

Q. Was it with the expectation of taking all or part of your compensation in bonds of the company?—A. Bonds and stock.

Q. Can you state approximately what your interest represents in money?—A. About \$150,000; that's a guess, however.

Q. The work you did as represented by the stock and bond interest accepted leaves the valuation of your interest in the property approximately \$150,000?—A. That is the complete work.

Q. That is all the work that you subsequently did in connection with it, so that at a fair and reasonable compensation or market value of the work and material furnished all together in that connection it would leave your interest as representing approximately \$150,000?—A. Yes, sir.

Q. How long ago did you acquire your interest?—A. Probably about three years.

Q. Have you been desirous of realizing on that investment?—A. Yes and no. My idea in the handling of this Speedway Park was that I never was in favor of the racing game. I have always been interested in warehouses, etc., and I considered that this race track was the best piece of ground for a warehouse property in the city of Chicago. I have been trying to convince Mr. Hines of it, to get tenants to build factories on it. This trip to Washington that started this matter was on a factory deal.

Q. Have you any doubt that your one-twelfth or one-thirteenth interest in the Speedway property was fairly worth the value of \$150,000, which it represented?—A. I probably could not cash in for that much money, but I could handle it and make it pay me double.

Q. At the value of \$150,000 for your interest, did it place the value of that property at approximately \$1,800,000?—A. Somewhere near that.

Q. Did you share in the carrying charges of the property?—A. To start with I did, but not afterwards.

Q. You were getting no interest or return on the investment?—A. None at all. If I were to explain my business to you a little more fully I think you will get the idea of it a little better. My habit has been to go into a neighborhood where we have belt line or decent railroad facilities, buying tracts of land very cheap, then getting big, wealthy tenants, and building buildings to suit them and renting them to them on long-term net rents—such people as A. M. Rothchild, International Heater Co., Rock Island Railroad, and such people.

Q. Getting your returns from this net rent, and providing an income for a number of years?—A. Yes; that is my business.

Q. And in the meantime the value of the land is increasing by—A. I increase the value of the land by the improvements I put upon it.

Q. And the erection of factories necessarily means the erection of houses?—A. Well, we never went into the house business.

Q. Yes; but it brings people to that vicinity and thus increases values?—A. Absolutely. And that was my idea as to what the Speedway Park should have been used for. For example, some Milwaukee people wanted a factory building for about a million dollars. This would have been a nice place for it, without smoke, dirt, or dust. Had I gone ahead to build that building I do not believe Speedway Park would have been idle more than a year.

Q. It is a fair conclusion that you experienced no anxiety as to the security of your investment?—A. None whatever.

Q. When and under what circumstances was this property first considered by you for Government purposes?—A. That is one date I will remember. On the 8th day of December some "Bolsheviks" burned one of my medical warehouses. I had an appointment with Chandler to go and see the Speedway Park that afternoon. He said the Quartermaster's Department was inquiring for one and one-half million square feet of floor space for several departments—one, I think for the Signal Corps, one for the Engineers and some others, and I think one for the Ordnance. They wanted, as I understand it, or remember now, about 400 acres. In one building they wanted a big tramway down the center to handle large trucks, flying machines, and such stuff as that. The grandstand was 2,000 feet long, steel frame, and would make a one-story building with an industrial track in the center, and it would have been a peach. The track for the pressed-hay outfit was 35 feet high and the track at the south turn about 4,000 feet long. Our idea was to put some tar and gravel roofing on the track, board it up, and put the baled-hay proposition in it, which, you know, was to press hay to about a third of what it is now. That was one of the things they wanted.

Q. Who was Chandler?—A. S. H. Hodge and Chandler, real estate men in Chicago, and representing at that time the getting of warehouse space for the Quartermaster's Department in Washington.

Q. As a result of that conference with Mr. Chandler, was any proposition made in regard to the property?—A. Hodge and I came to Washington and I submitted to them for a purchase of \$1,250,000. Mr. Poronto was there at the same time with a proposition to build some temporary structures and also some permanent warehouses for the Quartermaster's Department.

Q. Was that proposition in writing?—A. I do not know, but I think it was.

Q. Did it contemplate payment of a commission?—A. Yes, sir.

Q. Approximately about \$50,000?—A. About that.

Q. So it would have netted in that case \$1,200,000?—A. Yes, sir.

Q. That would have covered everything on the property?—A. The price was to cover the land, fences, and underground, but we were to have the salvage from the buildings, as naturally we could make a more favorable price by building the buildings and utilizing such material as was available, such as some of the steel, lumber, etc.

Q. And the only outside consideration to you would have been what might have come from construction contracts, and which should not in any way be considered with the value of the property?—A. That is true.

Q. Had that figure of one and a quarter million dollars been arrived at after a conference with Mr. Hines?—A. Yes, sir.

Q. And Mr. Hines gave his approval to that proposition, did he?—A. He said to do as I pleased with it—that is about the size of it.

Q. He did not seem to be much interested in it at that time?—A. No; not at that time.

Q. What became of that proposition?—A. Why, they took the Poronto proposition, and they did not need this one.

Q. Who is Poronto?—A. Manager of the Central Manufacturing District, president of the Chicago Junction Railroad.

Q. Have you ever dealt in property in the vicinity of Speedway Park, outside of the Speedway property itself?—A. No.

Q. Have you any personal knowledge of transactions in that locality?—A. I have heard of several of them; yes; but none that would afford a basis as to the value of the real estate.

Q. Of your own knowledge?—A. Yes; there was a man in our office who tried to buy the land east of us for cemetery purposes. He offered \$3,000 per acre for the piece adjoining Twelfth Street. I do not remember about the stuff south, but somewhere in the neighborhood of \$1,000. In both cases they refused to sell.

Q. The property nearer the river is lower than this Speedway, isn't it?—A. The stuff across the street is just as high, but gradually slopes to the river.

Q. Would you consider it quite as desirable as the Speedway property?—A. I would not think so; some of it may be.

Q. So that the offer of \$1,250,000 was never accepted?—A. No.

Q. That ended it?—A. Yes, sir.

Q. About when was that?—A. In January or February of this year.

Q. When next was the property considered or offered for Government purposes in any connection?—A. I was in Washington on one of these warehouse deals, and I met Maj. Magnusen at dinner at the Raleigh Hotel, the first time I had ever seen him, and I think Mr. Hodge and Mr. Poronto were in the party with us; I would not say positively, but that is my recollection. I got to talking about the Speedway for warehouse purposes. Magnusen said, "No; you do not want that for warehouse purposes; that is the greatest hospital site there is in Chicago. The Government will have to have a reconstruction hospital, and I would like to go out there and look at it and make a report on it." That is what started the hospital business.

Q. Who is Magnusen?—A. Magnusen is a major in the Surgeon General's Department of the Government.

Q. Did he after that come out there and look at it?—A. Yes, sir.

Q. What was the result of his examination?—A. I think he recommended it; in fact, I know he did.

Q. What did you do?—A. I went on to Washington and spoke to his superior, a Col. King, in charge at that time.

Q. What was the proposition then?—A. To build a hospital, but it really never got into a proposition at that time, as I remember it, because Col. King said the Government had no appropriation to build hospitals or to buy land, and that he could not entertain it.

Q. So that second suggestion as to its availability was ended in that way?—A. Yes, sir.

Q. About when was that?—A. I should think that was along in the spring some time. I can't remember.

Q. When next was the matter considered or proposed—for Government use?—A. Shortly after that Col. King, I think, went to France—at least he left—and Col. Hornsby was there. I called on Col. Hornsby about the matter, and he asked me to formulate a proposition and submit it to him on the next Thursday. I was called to Chicago. I wrote him a letter, in which I told him I could not have the proposition for Thursday, but would the following week. In



answer to my letter he wrote me a letter declining to entertain it. That is how that wound up.

Q. When was the invitation first extended to you to offer a proposition?—A. There was some talk about a proposition.

Q. He wanted a proposition?—A. Yes, sir.

Q. But before you made it he said it was not necessary, that they were not interested?—A. Yes, sir.

Q. What was the next project?—A. Why, I gave it up as a bad job and returned to Chicago to tend to my own business.

Q. How was your attention brought to it again?—A. I had a telephone communication from a man by the name of Milton Trainer wanting a pass to go to the Speedway. I told him I would take him out. Mr. Wheelock and myself, Mr. Trainer and Mr. Clark, Mr. Trainer's real estate partner, went out and looked it over. He asked for a ground plan of the park showing the buildings and improvements on it at that time, which Mr. Wheelock had prepared.

Q. Did he give it to him?—A. Yes, sir. The next day after this—my remembrance is that it was the next day—they went out with Trainer and a man by the name of Erskine; Gen. Noble; Dr. Billings; a professor of Illinois University, Dr. James, to look the proposition over and, I think, at the same time they looked at others.

Q. But your recollection is accurate that it was Trainer who brought the question to you after these other propositions had been disposed of?—A. Yes, sir; because he told me that he was the real estate expert for the Medical Department of the Surgeon General's Department in Washington.

Q. Did you know what his business was aside from his Government connection?—A. Yes; I knew he was a Chicago real estate man.

Q. You knew that Clark was a real estate man—his partner?—A. Yes; I had met him once or twice.

Q. Did the first conference with Trainer and Clark constitute an employment of that firm as your real estate agents in this connection?—A. None whatever.

Q. Did they ask your authority to present it to the Government?—A. I do not think so.

Q. Your recollection is that they did not?—A. They just wanted to go down there.

Q. Did you go there the day that Col. Billings, Gen. Noble, and Erskine went down?—A. No, sir.

Q. Did you know they were going down?—A. No, sir.

Q. Do you remember that that was at or about the time of a convention in Chicago?—A. That was the time.

Q. Is it your information that Messrs. Trainer and Clark, or either of them, accompanied these doctors there at that time?—A. Mr. Trainer said he did.

Q. He told you that afterwards?—A. Yes, sir.

Q. Had you ever talked with Erskine about it up to that point?—A. I had never seen Erskine up to that time.

Q. What was the next step in the matter?—A. I got a telephone communication from Mr. Newman asking me to come to his office and bring the plans of Mr. Wheelock. When I got there there was Mr. Newman; Mr. Erskine; Mr. Trainer; and Mr. Poppenhusen; my partner, Mr. Foster; myself; and Mr. Wheelock.

Q. How about Mr. Hines?—A. I do not remember, but he may have been there, too.

Q. Are you sure that on that occasion Mr. Trainer was present in Mr. Newman's office?—A. Absolutely.

Q. Was Mr. Clark there also?—A. I do not think he was. A Mr. Jarvis Hunt, an architect, came in while we were there.

Q. And are you equally positive that that was the first conference after the time that you had been visited by Mr. Trainer on the occasion that he asked you for the ground plans?—A. That is the first time I had seen him after he was out there.

Q. You would have had no conference in regard to the Speedway after the conclusion of these other suggestions?—A. That is the only time.

Q. Now, what took place at Newman's office on that occasion?—A. Mr. Trainer gave about an hour's oration about reconstruction hospitals, what they were for, how they would have to do business; but the most of his talk was taken up with the Cub Ball Park proposition, making the statement that the State of Illinois would donate \$500,000; that J. Ogden Armour would donate another \$500,000; some one else, Pattern, I think, would donate something.

Q. Did Trainer do the talking, or Erskine?—A. Trainer did all the talking; no one else got a word in.

Q. What was the proposition that he was urging for your consideration?—A. Nothing, that I could see; with all his talk there was nothing definite in it at all.

Q. What took place as a result of that interview?—A. Nothing at all.

Q. And the meeting broke up at that time?—A. The meeting broke up. It was at that time that I got acquainted with Mr. Erskine.

Q. Who introduced you to Erskine?—A. I think Mr. Newman, but I would not say positively. Some one in the party.

Q. Did Mr. Clark take any part in the interview?—A. I do not think Mr. Clark was there; I don't remember of his being there.

Q. Can you remember now whether Mr. Hines was there at the time?—A. I am very positive that Mr. Hines was not present at that meeting in Mr. Newman's office.

Q. How did you know that Trainer occupied a Government office?—A. I did not know except that he told me that he represented the Surgeon General's Department in looking up sites for hospitals.

Q. But he was not in uniform?—A. No, sir.

Q. What was the next step after that?—A. The next step was Mr. Wheelock and myself came to Washington on two propositions, one a warehouse, and also to look up this Surgeon General's office to see what was going on, and submit some sketch we had.

Q. Had you in the meantime worked up a plan with Mr. Wheelock for utilizing the grand stand on the Speedway?—A. Yes, sir.

Q. As a hospital?—A. Yes, sir.

Q. Did you have a photograph or perspective of it at the time?—A. Yes.

Q. At that interview at Mr. Newman's office, and Mr. Trainer was doing this talking about the reconstruction project, was there any suggestion by him or by Mr. Clark or by any person about the employment of them as real estate agents?—A. None at all.

Q. No definite proposition was suggested?—A. Nothing at all while I was there.

Q. But, so far as you remember, the general talk by Trainer while you were there was on the general scheme of reconstruction hospitals?—A. Yes, sir.

Q. What else happened on your visit to Washington?—A. We did not get anywhere with our visit to Washington. We couldn't get anybody to pay any attention to us or listen to us.

Q. Then, after returning home, what did you do in regard to it. If anything?—A. It seems to me that I met Mr. Erskine in Washington before I went home and he said he would try and get me an interview with some one to present this thing.

Q. Had you known Mr. Newman before you went to his office that day?—A. Oh, yes; I have known Newman for years.

Q. Has he represented you as counsel?—A. No; he has not represented me at all.

Q. You went to his office at whose request?—A. I do not know or remember who it was, but some one from over there asked me to come over and bring the sketches and Mr. Wheelock.

Q. Your recollection is that on that visit to Washington you saw Mr. Erskine?—A. Yes; I think so.

Q. Did he bring you in contact with any persons at that time?—A. Why, Mr. Newman came to Washington, I think—I know he did. He took me to see Col. C. C. Wright. I did not get anywhere with Wright at all. Then Mr. Newman and Mr. Erskine called on the Surgeon General's Department, but I was not with them. I do not know what transpired at that time.

Q. Up to that point there had been nothing in your mind and no suggestion made by anyone concerned that there was anything but a purely business proposition under consideration?—A. Well, I do not know about that. Mr. Clark and Mr. Trainer called at my office one day several days after that first meeting and wanted me to introduce them to Mr. Hines, and said they were in position to help put that deal through.

Q. Was that shortly after the first interview?—A. That was shortly after.

Q. What did you do about it?—A. Mr. Foster and myself called on Hines and he said he would have nothing to do with them.

Q. What was the stage of the project at that time?—A. There was no project.

Q. That was before the thing was in shape?—A. Yes, sir. I think that was the last time I saw Trainer.

Q. But in regard to the character of the project, was there any conference between you and Mr. Hines at which it was suggested by him that he would be willing to make a substantial contribution toward a permanent fireproof hospital?—A. I don't think, Major, that you put it just right. Mr. Hines, when this came up, asked me what it would cost. I told him I did not know a thing about it, but I did not know what the requirements were, and until I did, I could not even figure on it, but that as close as I could figure, with everything we had there, I knew after a fashion about what we would have to have, and I told him I thought he would be donating about half or two-thirds of the money he had in Speedway Park toward this proposition.

Q. What was the point about it?—A. Just about that time he had lost his son, and, as a matter of fact, I was interested in this reconstruction matter because Magnusen had talked with me about it, as I was in work where they were hurting men all the time and where they would get a little insurance money and get thrown out. The State of Illinois, according to Magnusen, has 30,000 of such cases a year, no one to take care of them and no reconstruction work; that my organization was idle, and I might as well be working as loafing, but I did not care to go to Washington and talk any of that stuff or even try, so I thought if we could do something, I would be willing to do it.

Q. Where did you get the information as to the basis on which the work was to be done, which led you to state to Mr. Hines that to carry out the project it would mean to give up about one-half or two-thirds interest in the property?—A. From my own architect. Wheelock and I worked that scheme out.

Q. But what did you know about the proposition?—A. The \$1,000 per bed came up at that time, at the first meeting with Trainer. He said that was the appropriation which the Government had provided, and unless we could do so for \$1,000 per bed there would be no use entertaining it.

Q. That information itself came from Trainer?—A. Yes, sir.

Q. So that you had in mind a definite proposition to that extent?—A. Yes; I knew we had to work from that.

Q. Did the suggestion of a fireproof hospital come from Trainer?—A. No; from Magnusen.

Q. So that the proposition was merely to have a reconstruction hospital, and for which they would pay \$1,000 per bed?—A. Yes; that was all they could pay according to the appropriation.

Q. Did you make any more definite figures at any time for Mr. Hines showing what it would cost?—A. I did, after the first plans of Garden and Wheelock.

Q. Well, at the time of the first conference with Mr. Hines, when you said that you had not figured it up, but you had a pretty good idea what it would cost and told him what it would amount to in the way of a contribution, what was his attitude?—A. He seemed to want to go ahead with it.

Q. Then what was the next step?—A. The next step was when Erskine went to Secretary of War Baker and got Secretary Baker to give the order to give us the necessary information to start work on our plans.

Q. How was Erskine brought in it, as far as you know?—A. As far as I know, he represented about the same as Trainer did; looking up different locations in Chicago.

Q. Who?—A. Erskine—a Chicago man, as he was there with Col. Billings, Noble, and the others.

Q. Well, did you understand he was in the Government service?—A. Yes; I did.

Q. And interested in locating hospital sites?—A. Yes, sir.

Q. Was he acquainted with Trainer?—A. I do not know. He had absolutely nothing to say at the meeting, as Trainer did all the talking.

Q. Did Wheelock subsequently to that time prepare some plans for you, or had they been prepared before Erskine talked with Secretary Baker?—A. The rough sketches had been prepared before Erskine ever saw Mr. Baker, but immediately after he saw Mr. Baker I got Wheelock and his whole office force and brought them to Washington. I got the Shank land engineer to do the engineering for us. We got Garden, of Schmidt, Garden & Martin, and two or three of his men. Col. Wright only gave us 10 days to prepare these plans, and it was a gigantic job for that length of time, and we also used 15 or 20 of the Medical Department's or Surgeon General Department's men, working nights and Sundays.

Q. Plans and specifications were finally prepared covering the hospital project?—A. Absolutely.

Q. Now, what was it going to cost Shank Co. to carry out the plans and specifications as originally incorporated in that draft of contract?—A. About \$2,300,000.

Q. Did that include the use of such material as you had available on the premises?—A. That was figured as though we would have to buy new. We could not tell what we could use and what we could not use at that time.

Q. Did you make any computation then or later to ascertain how that cost to you might be reduced by utilizing the available material upon the premises?—A. Well, we had a lot of guesswork, but nothing definite, because I did not know what we could or could not use, as in taking out plumbing and such things you do not know how much comes out all right and how much does not.

Q. But the \$2,300,000, as estimated by you, contemplated the bare cost of the construction of the buildings covered by the contract as if you were to put it down on a bare piece of ground anywhere?—A. Yes, sir.

Q. Did it include anything or in any manner the value of the real estate, sewers, water pipes, etc.?—A. No, sir.

Q. Did it include any valuation of improvements upon the ground in the way of roads, fences, and such structures?—A. That was for the building under the contract, the bare block plans of that date.

Q. Have you that block plan somewhere?—A. In Chicago; yes, sir. I have the plans that I initialed at that time with me.

Q. That is the one you initialed in the department?—A. Yes, sir.

Q. But you had figured on that, and the result shows about \$2,300,000? Is that the figure at which you have been willing to undertake the construction on any ground?—A. Yes, sir.

Q. So that, assuming the cost of construction according to your figures to have been \$2,300,000, you would have a leeway of \$200,000?—A. Yes, sir.

Q. Which, in order to determine the measure of contribution you would have to offset against the complete value of that land and its improvements?—A. Yes; plus what material we might have.

Q. That is to say, less such salvage as you might have got by disposing of the property and utilizing the available material?—A. Yes, sir.

Q. To what extent did you, at that time or subsequently, consider that the material could be utilized in the structure resulting in a saving, on estimated figures or on that gross amount?—A. I figured that the form-work lumber would save probably \$100,000. I figured the plumbing about \$50,000; I did not know how much the steel would be to cut up. I did not figure that at all. That was about the only three things that there was any salvage in. Of course, we have an immense lot of lumber, but in tearing up the track we found a lot of rotten 2 by 4s; so there is not much salvage in it—several thousand dollars for lentils—but figured we would have about 10,000,000 feet of lumber left which has some value.

Q. Did you ever place a maximum value upon the salvage resulting from the saving of building cost and the disposal of so much of the material as was not used in connection with it? Would it amount to as much as \$400,000?—A. I do not think so. No; it would not. That would be impossible, I think.

Q. Was it as much as \$200,000?—A. It would be mere guesswork on my part.

Q. Isn't it a fact that the sum of \$200,000 was mentioned or considered, so that in presenting the matter to Mr. Hines, or discussing it with him, these figures were used as indicating the difference to be received from the Government over the estimated cost, and the possible saving of \$200,000 from salvage, which would make \$400,000, and which should be considered against the sum of \$1,250,000, which had formerly been adopted as the price at which you were willing to dispose of it as a sacrifice, showing that the contribution, if it were to be so considered, would be \$850,000?—A. I do not know as we made any total figures at that time. The whole thing has been guesswork as to costs. Schmidt, Garden & Martin's plans are not complete even yet.

Q. But is that a fair approximation, assuming that you were right in your original figures?—A. It would be just about right.

Q. There is this further consideration that I would like to have your attention on: Besides what the Government was paying for under this theory of remuneration and what you were going to dispose of, what was the Government going to receive for its \$2,500,000?—A. They were to receive 320 acres of land less the right of way of the Illinois Central Railroad, a sewer system worth \$150,000 to \$200,000, some roads that cost forty or fifty thousand, and fences which I do not remember the cost of, but somewhere about \$50,000; also a fireproof modern hospital building and six auxiliary buildings, as are called for by the plans.

Q. Was that the shape in which the proposition remained at the time it resulted in this draft of contract?—A. Yes, sir.

Q. Isn't it a fact that in the earlier estimate, when first presented to Mr. Hines or considered by him, the construction called for was much less and that about \$200,000 had been added on?—A. Yes; more than \$200,000.

Q. But the figures we now refer to represent the proposition in its final shape?—A. Yes, sir.

Q. That is, it was your estimate on the cost of carrying out the contract to which you put your name?—A. Yes; that's it.

Q. Now, isn't it a fact that even after that time there were additional instructions involved; that the Government obtained your consent in addition to making further sewer connections and water supply?—A. Yes; but we have no means of knowing what it would involve until we got through with it. They did add a new sewer from the engine house and the buildings back of it and the main hospital to the Maywood sewer a 12-inch sewer. And the cost of that, of course, would have to be added to the original estimate.

Q. Do you know what that amounted to?—A. I can not tell; no, sir.

Q. In mentioning what was to be turned over to the Government did you leave out the consideration of the source of the water—those artesian wells?—A. There were no artesian wells. The artesian wells supply Maywood with water. We have a great big pumping station here.

Q. Then there is no artesian well on the premises?—A. No; they hook onto the Maywood waterworks.

Q. So that supply would have to be paid for like any other?—A. Yes, sir.

Q. But it was desired, or at least suggested, on the basis of some other construction project, that they should have a tank and pipe?—A. Yes; they wanted a surplus reserve supply, and they also wanted another tank of water to have enough of it. We have a 50,000-gallon tank, 140 feet high, on this property.

Q. That would be included?—A. Yes; and I remember the cost of it to be \$50,000 to \$60,000. That should go in, of course.

Q. Now, I wish you would consider that from another point of view for just a moment, Mr. Shank, and state what the Government was to receive for its expenditure, in terms of its cost to the Speedway Co., so far as you know or are informed in respect to that?—A. Well, the Speedway Park cost us about \$1,800,000. It was to save what property we could except some little personal property we had there, such as uniforms and such as that, and the salvage in the lumber that was not used in the buildings; that was all we kept out of it. Everything else went to the Government.

Q. So that the Government would get a building which, if you were right, would cost \$2,300,000 to construct, in addition to property which had cost you \$1,800,000, less such little salvage as you should remove, which could not be availed of in the construction, for \$2,500,000?—A. Yes, that's it, exactly.

Q. In view of that proposition it would have meant a contribution of the difference between \$2,500,000 and \$4,100,000, which would be \$1,600,000?—A. That's the way it figures out, yes, sir; less the salvage.

Q. Was there anyone or any concern or any way or source by which a profit was to be received from this project to you?—A. No, sir; none whatever.

Q. To what extent had you included in the estimated cost of construction the cost of supervision and profit for your own services?—A. Nothing for my own services. Of course, my superintendent, foremen, and such men are included in the ordinary pay roll as we go along.

Q. Did you include nothing at all for your own services?—A. Nothing.

Q. How about the architects?—A. Well, I had already paid for them; that was a dead horse.

Q. So that you include nothing for them?—A. Nothing for them; no, sir.

Q. On your estimates, were materials put in at actual cost?—A. Certainly; we had no profit in any materials at all.

Q. You had computed actual cost on material and labor?—A. Yes; and since then common labor has gone up 7½ cents an hour, bricklayers up to 81 or 82 cents, or something of that kind, so that the scale of wages has got on the wrong side again for me.

Q. Now, while the plans were being worked out in the manner you have described, was the form of contract being prepared at the same time?—A. Yes, sir. Maj. O'Brien, an attorney in the Construction Division, and Mr. Newman, counsel for Mr. Hines, worked out the contract.

Q. How were the plans and specifications considered before being put in their final accepted form?—A. Everybody that had anything to do with the drawing

of the plans for the Medical Division and also for the Construction Division went over them and made what changes they thought necessary, and they were immediately attended to as they went along and everybody passed them.

Q. Did you refuse to accede to any suggestion or proposition that was made by any of these departments?—A. None at all.

Q. Would that have been the usual custom had it been a business proposition?—A. No, sir; there was no business in this thing at all. Our whole idea was to build the best thing, and the first reconstruction hospital in the world, and we wanted it right and we were more interested in having it right and saving a reputation we had already made than anything else.

Q. Didn't you find that was the spirit of the Medical Department, too, that they felt they were developing the most complete hospital of its character that they had had anything to do with?—A. Absolutely; everyone seemed to be tickled to death with it—that they had the right thing, and from my observation of the gentlemen they were all able and capable people. I never ran across as many good, smart engineers and draftsmen as I ran across in those departments—the Engineering and Construction Departments. Those gentlemen all know their business. I have not met one that did not.

Q. And you think the plans are without material defect in any respect?—A. I do not think they could be improved upon a great deal, anyway.

Q. And they represent the joint judgment of the officers of the Medical and Construction Division who have to do with this class of work?—A. Yes; absolutely.

Q. On the day that the plans were put in final shape, were you present at a conference in Col. Wright's office?—A. Yes, sir.

Q. Who else was there?—A. Col. Wright, Maj. O'Brien, Richard Schmidt, and Hugh Garden, A. D. Erskine, Jacob Newman, and myself, and two or three other Army officers that came in and out that I did not know.

Q. Please explain in detail what took place at that final interview.—A. Col. Wright notified me that he was satisfied with the thing, and if I wanted to I could sign the contract, which I did. Then he asked me to O. K. the plans and specifications, which I did on each page and the two outside pages signed by Shank Co., by George H. Shank, president.

Q. Did Col. Wright indicate what would be the next step?—A. He asked Mr. Schmidt, Mr. Garden, and myself to go to Chicago and get busy and start the work. I left that night on the 8 o'clock train. Mr. Schmidt and Mr. Garden went on the same train with me.

Q. I am anxious to get at the exact facts and situation in regard to the conversation about returning and taking up the work.—A. He stated that as all the departments had signed or O. K'd this, it was only a matter of form for the signature of Gen. Marshall, Gen. Marshall being out of town, and that if he did not return he, Wright, would be authorized to sign it himself.

Q. You knew the Secretary of War had to approve the contract?—A. I did not. I thought Gen. Marshall's signature was the windup. I thought he was the contracting officer and had the authority.

Q. To what extent did Mr. Erskine contribute to your assurance that the matter was fully settled?—A. I do not think he had anything to do with it at all. He was there, of course.

Q. There was no doubt in your mind that the matter was settled and assured of acceptance?—A. Absolutely. Poronto told me on his deal that he had been paid \$400,000 on his deal before he ever got his contract. In my own propositions in Chicago they would order work done, and I have never even questioned it. I have done work, presented my bills when the inspector got through his inspection, and got my money. I did not have a contract except over the telephone.

Q. Was there anything in this contract substantially different from the others in that respect?—A. No; I did not think so.

Q. Weren't you willing to take a sporting chance in going ahead and risking the approval of the project?—A. I did not consider I was taking any chance at all. I considered I had a contract, and that, technically, it may not have complied with it, but as far as it went it was absolutely correct.

Q. What was done with the plans and specifications after they were signed by you and Col. Wright?—A. They were left in Col. Wright's charge.

Q. Both sets?—A. All of them.

Q. You did not receive a set of the plans and specifications?—A. No; not at that time.

Q. When did you get a set of them?—A. Since I have been back this time.

- Q. That is, since the whole matter was called for?—A. Yes, sir.
- Q. What was the date of this final conference?—A. As I remember it, it was on a Friday, about the 30th of August.
- Q. And you started back for Chicago that same night?—A. Yes, sir.
- Q. When did you begin work?—A. I got into Chicago on Saturday. The next day was Sunday, and Monday was Labor Day. I started getting my tools and things loaded Sunday, but the fellows with their automobiles and trucks would not haul them out, so I did not get started until the 3d, Tuesday, Labor Day being the 2d.
- Q. Was Schmidt in Washington on the day the contract was signed?—A. Yes; he was in Wright's office, and saw me sign it.
- Q. Garden, too?—A. Garden, too.
- Q. Who went back with you?—A. Schmidt and Garden.
- Q. When did you next see them?—A. Every day.
- Q. Who was out on the premises when you began the work?—A. When I began there was no one, but shortly afterwards they sent two superintendents out there.
- Q. Who were they?—A. One of them was Fitzgerald; I do not remember the name of the other.
- Q. Can they be located?—A. I think they are there yet; they were last week.
- Q. Did you hear Col. Wright tell Garden that they would be taking a chance with the rest if they did any work on this project before the contract was signed?—A. I never heard anything of that kind at all.
- Q. At the time you put your signature on draft of contract, was there any question raised about the authority of your corporation?—A. Yes; and also about Schmidt, Garden & Martin being in my employ.
- Q. Up to that time they had been employed by you?—A. Yes, sir.
- Q. They were only employed up to that time?—A. Yes, sir.
- Q. Their employment stopped after that date—after you put your name on the contract or plans?—A. Yes, sir.
- Q. Was there a suggestion that you pass some resolution authorizing the contract and with reference to the architects?—A. Yes, sir.
- Q. You held such a meeting, did you?—A. Yes, sir.
- Q. Did you have a quorum of your company present?—A. Yes; we held the meeting in Chicago; yes, sir.
- Q. Who prepared the form of resolution that was adopted by your company authorizing your execution of the contract and the severance of your relations with Schmidt, Garden & Martin?—A. Maj. O'Brien. My attorney, I think, got it from Mr. Newman.
- Q. Who is your attorney?—A. Robert W. Dunn.
- Q. And Mr. Newman, Mr. Hines's attorney, gave the draft of resolution to Mr. Dunn?—A. Yes, sir.
- Q. When did you hold the meeting?—A. My remembrance is it was on the 18th of September.
- Q. The 18th of September—some time later?—A. Yes, sir.
- Q. Was the form of resolution to confirm your execution of the contract?—A. It authorized the execution, as I had signed it.
- Q. Then as the resolution was adopted later, it simply was to confirm what you had done?—A. Yes, sir.
- Q. Can I obtain copy of the original draft as prepared by Maj. O'Brien?—A. I think we can give you his original pencil memorandum and also copy of the proceedings, if you wish it.
- Q. Well, that is what I want. I want that and three copies besides the original, to attach to the record, or if you can not give me the original, I would like a photographic copy. Do you remember that in the contract there was a provision to proceed immediately with the work?—A. Yes, sir.
- Q. Was it your understanding that that applied to the time when the contract itself became binding or to the date when you put your name on it?—A. When I put my name on it I considered that it became a binding contract on me at once, at that time.
- Q. I want you to recall as near as you can the language used by Col. Wright in urging or suggesting your immediate departure and proceeding with the work called for by this proposed contract.—A. A conversation that happened after that would be more enlightening than anything else. When we left Col. Wright's office, Mr. Newman, Col. Wright, Mr. Garden, and myself, were in Erskine's car. I said to the colonel, "send me out a good superintendent out there." He said, "what kind do you want"? I said, "I want a good rough-

neck who understands his business and who will swear at the men and get the work done, but he must know something." He said, "I will get you the best superintendent I can get hold of, and one that will help you instead of delaying you."

Q. Did he send anyone.—A. No; I do not think he ever did. It seems to me like they did send someone but since that time I have been in Washington, but I am told the gentleman has been having mail come to him addressed there. If he is there now or not I do not know.

Q. There was some conversation during the progress of the transaction on that last date that had reference to the work and the necessity for getting it out before cold weather.—A. Everybody was to get busy. Schmidt, Garden & Martin were given 10 days to complete all the engineering problems on that job, so as not to hold me up. They were to give me the next day after, section of the excavating plans, and the reinforcing steel that went into the foundations, but they did not give them to me for two or three days, though they hurried them up all they could.

Q. But they did their work, too?—A. Yes; they worked day and night, and Sundays, just as hard as they could work; so did I.

Q. What was the first interruption of the work, if any?—A. The first interruption of the work was when I did not get any priority orders as according to the agreement Wright said they would at once send them, but I did not get them; finally, I wired for them, and in reply to that wire my partner got a wire and read it to me over the telephone, denying that I had a contract. I do not think that was from Wright, however. I just thought someone had stepped on themselves and made a mistake, and paid no attention to it.

Q. What did you do after that?—A. I did not do anything but kept on working. A day or two after that Col. Wright and Col. Starrett came out to see what I was doing.

Q. What took place then?—A. We went all over the ground. I showed them everything we were doing, also the lay of the ground and the sewers and everything there was there. Col. Starrett asked me if I had an automobile out there that he could go back with me alone in. I told him I had my son's car, and he drove us back. Then Starrett told me he was there to investigate me. I thought it kind of queer, but as far as I was concerned I did not care whether they did or not. He asked me a lot of questions, among others, about our financial responsibility, our construction ability, and principally Mr. Erskine and how he became connected with the deal. I have heard that Col. Starrett made some report, so you probably know all about his report, more than I can tell you.

Q. What was there, if you know, in the way of what Mr. Erskine was to receive as compensation or interest in this matter?—A. Nothing at all. If he had, I think I would know it, as every dollar of this money goes through my hands. Major, there is no one getting a dollar's worth of profit or anything else out of this thing, as when I signed the contract there was a clause in it to cover it.

Q. Did anyone tell you to stop work there?—A. No, sir.

Q. What was the next thing after that?—A. I got worried about it and went to Washington.

Q. Then what happened?—A. I wrote a letter to Secretary Crowell and Senator Lewis made an engagement for Mr. Hines and Mr. Folsom, Senator Lewis's partner, and myself to see Crowell, which we did, and he turned us over to a gentleman by the name of Mr. Hare.

Q. Had you any notice to stop work?—A. No, sir; I never have had, except that Hare called us up on the telephone and said the thing was off.

Q. What took place at your interview with Mr. Hare?—A. Mr. Hare asked us to sign a statement, which I did, and asked Mr. Newman to sign one, which he did, which was in substance a record of what had been said. We had several meetings with Mr. Hare.

Q. Was that before or after you had been asked to consider the additional buildings and to consolidate your bids?—A. That was before. This meeting brought on that request from Mr. Hare.

Q. After you had had your meeting with Mr. Hare you were subsequently asked to bid on additional buildings?—A. Yes; there were 27 additional buildings, involving an additional expense of about \$658,000.

Q. That resulted in a proposition to build those at this added cost?—A. Yes; at that price or at actual cost without profit.

Q. Was it at that time that the additional proposal was suggested that Mr. Hines would take back the property at 40 per cent of the amount paid by the Government at any time within five years?—A. Yes, sir.



Q. And the five years was subsequently extended to eight years?—A. Yes, sir; eight years.

Q. Were you notified of the action in response to that proposition?—A. We were asked to consolidate that with the final bid, and including some more buildings, roads, lights, sidewalks, and so forth, still another bid, and so we consolidated the bids into one, which was the final bid of \$3,258,475, which included the \$2,500,000 proposition, as well as the 40 per cent proposition to buy back, which still applied, and which we would be delighted to have them do.

Q. What action, if any, has been taken on this?—A. Mr. Hines received a telephone message from Mr. Hare declining all our propositions, from what Mr. Hines tells me, as I could not hear Hare, but I was sitting right near the telephone at the time. Mr. Hare said the price was too high, and that they had cut down the number of beds that would be wanted in that district, and consequently they would not need the Speedway anyway.

Q. That is its present shape?—A. That is the present shape; yes, sir.

Q. Did you, some time later than you have already referred to, have some interview with Mr. Trainer?—A. No, sir.

Q. Didn't Trainer and Clark come to see you while the matter was pending and make some suggestion about a commission?—A. Well, I told you about that. That was after the meeting in Newman's office. They said they would help put that thing through, provided we would pay a commission. They wanted me to present it to Mr. Hines and get an appointment with Mr. Hines. Mr. Trainer and Mr. Clark came to my office, and all of our private offices were engaged, so I took them around behind my cashier's desk, and my partner, and the four of us stood there. They brought up the subject of trying to get the project through providing they would get this money.

Q. What is your partner's name?—A. Frank H. Foster.

Q. He heard this conversation?—A. Yes, sir.

Q. He is in Chicago now?—A. Yes, sir. Mr. Foster took it up with Mr. Hines.

Q. What did Trainer do then?—A. He put it in this fashion—that if we would see that he got some pay and would make a date to see Mr. Hines, that he could help this deal along.

Q. What did you do?—A. Mr. Foster told Hines about his being there.

Q. What happened then?—A. Hines said he would not meet him or have anything to do with him.

Q. Did you take him up?—A. No, sir.

Q. That ended your connection with it?—A. That ended my connection with them; yes, sir.

Q. You never talked with them again?—A. I talked with Clark once after that. He came to my office one day when the real-estate valuation came up. He wanted to know if I knew what Trainer's valuation had been on it. I told him I thought his original valuation was \$1,050,000 for the ground and everything there; that was my remembrance. That is the last time I have seen either of them.

Q. He did not agree to that?—A. He was there only for information; that is all.

Q. Are you still willing, so far as you are concerned, to carry out the project on the last plan proposed?—A. Yes, sir.

Q. Do you think a project of this character, as contemplated by the proposed contract, requires 320 acres of land?—A. No; I do not; not for a 2,500-bed unit. But if you were to use the whole capacity of that thing, my main idea of working for fun was not only to help the United States, but also to help Magnusen get a reconstruction hospital for the city of Chicago and the State of Illinois, and I think 320 acres is just about right for the size of a proposition that must be had in Chicago. As far as the unit for 2,500 beds, that is not necessary.

Q. Is Magnusen a Chicago man?—A. Yes; he is at the head of the Stock Yards District Hospital there. I never met him but three or four times, but he impressed me wonderfully.

Q. Did Mr. Hines ever tell you what he expected to do with this proposition if his offer to buy it back should be accepted?—A. Yes; his proposal is to donate it to some charity, of a nonsectarian character, though I have a little different idea as to what he ought to do with it. The Federation of Labor men in Chicago has been after me to get Hines to turn it over to the Federation of Labor for their reconstruction work, all over the United States, and make it their headquarters. I have not taken it up with Hines yet because I did not think it was time, as there are so many different things that can happen to a thing of that kind.

The health commissioner of Chicago wants it for a tuberculosis hospital, and it seems everybody in the country wants that hospital except the Government.

Q. Do you intend to finish the hospital irrespective of whether the Government has any need for it or not?—A. I have not talked with Mr. Hines about it, but I think we will finish it up. I do not know as it would be as elaborate as we would make for the Government, but that is all it is good for now.

Q. What is your reason for going ahead with this work in view of the present situation?—A. We had the material on the ground, the forms and stuff ready for it, and it would go to pieces if we didn't go ahead.

Q. Is it possible for you to give me specifically the expense you have been put to as a result of the present condition of the project?—A. I can't offhand; but I can figure it out.

Q. Have you attempted to make an estimate of that kind?—A. No, sir.

Q. Will you prepare for me a statement of it?—A. Yes, sir.

Q. Is there anything further in regard to the matter which I have not brought out by my questions that you would like to speak of?—A. No; I don't think so. I think I have covered it pretty fully.

GEORGE H. SHANK,

*Major, Inspector General's Department.*

(The foregoing evidence having been read over by Mr. George H. Shank, it is subscribed and sworn to by him this 8th day of November, 1918.)

CONTINUATION OF THE EXAMINATION OF MR. GEORGE SHANK.

Q. You have already been sworn in this matter, Mr. Shank?—A. Yes, sir.

Q. Did you personally hold some conversation with Mr. Trainor and Mr. Clark when Mr. Foster was not present?—A. No; only just spoke to them; that was all.

Q. What is your recollection of that specific conversation relative to their desire to meet Mr. Hines and the purpose of that meeting?—A. My recollection of that conversation was this, that they wished to meet Mr. Hines, stating that they were able to help this deal along, and if he would see Mr. Reynolds with them—I don't know exactly how they worded it—and make an arrangement of what they wanted.

Q. Was any amount of money mentioned?—A. I don't think the amount was mentioned. [Mr. Shank states this as his final recollection of it.] The reason Mr. Trainor and Mr. Clark called on me was to have Mr. Hines arrange to meet Mr. Reynolds, stating that they had power to help put this deal through.

Q. Was that statement made by Mr. Trainor or Mr. Clark?—A. Mr. Clark; and Trainor stated that if Mr. Hines would arrange a meeting with Mr. Reynolds to take care of him he could put the deal through.

Q. That was in the presence of Mr. Foster?—A. Absolutely; every bit of it. I don't think that talk lasted more than two or three minutes.

Q. Mr. Shank, were you present at the time Mr. Hines was informed of the interest of Trainor and Clark?—A. I was.

Q. What was stated to Mr. Hines?—A. That Clark and Trainor had called on us and notified us they were in a position to help put the deal through, and if Mr. Hines would make the arrangements to see Mr. Reynolds that they thought it could be done; that Clark and Trainor would help put this deal through if they got a commission for it, and wanted Mr. Hines to make an arrangement to see Mr. Reynolds. Mr. Hines absolutely refused to have anything to do with it or to see Mr. Reynolds, and Mr. Hines said he would telephone Mr. Newman.

Q. According to your recollection, that statement to Mr. Hines at that time was fully justified by what Mr. Trainor had said to you at the interview?—A. Absolutely.

Q. Did he mention the name commission at that interview?—A. Well, if he didn't, he said compensation, or the same thing.

Q. No question about it?—A. Absolutely none. I don't remember the word he used, but that was the sum and substance of the whole thing.

RECORD OF THE EXAMINATION OF MAJ. ARTHUR A. O'BRIEN, TAKEN BY MAJ. STOTES-BURY, NOVEMBER 2, 1918.

Maj. O'Brien being first duly sworn, was interrogated as follows:

Q. Please state your full name, grade, organization, and present duties.—A. Arthur A. O'Brien, major, Quartermaster Corps, United States Army, assigned

to duty with the Construction Division in connection with the contracts branch. My duties consist of the administration and interpretation of contracts and the preparation of contracts in special cases, not following within the scope of our printed forms.

Q. Have you knowledge of a contract which was under consideration by the Construction Division relative to hospitals to be constructed upon the so-called Speedway tract, near Chicago, Ill.?—A. Yes, sir.

Q. Will you please to state, fully, what connection you had with that transaction and all matters relative thereto that are within your knowledge and in respect to related matters that you have obtained from other channels? Indicate those sources from which original information can be obtained.—A. On Sunday, August 18, at the office of the Construction Division in Washington, Col. Shelby, who is my immediate superior officer, introduced me to Mr. Jacob Newman, an attorney of Chicago, Ill. Mr. Newman. I was informed, represented George H. Shank, who proposed to build a hospital at Speedway Park, Cook County, Ill., and sell the same to the United States Government. Mr. Newman had with him at that time a proposed form of a contract, and Col. Shelby directed me to go over it and revise it to meet the requirements of contracts of the War Department. Beginning with that time and ending with Saturday, August 31, I had almost daily conferences with Mr. Newman, relative to the terms of the various provisions of the contract. From information coming to me from some of the officials of the Construction Division, probably Lieut. Col. Wright, it became apparent that owing to the incomplete nature of the proposal and the incomplete condition of the plans I had to reframe and construct an entirely new contract instead of merely adding the clauses required in War Department contracts to the one submitted by Mr. Newman. The fact that the project was not very clearly defined other than it was to be a hospital and that the plans and the specifications were not in shape for complete execution of a project, made it necessary for me to draw a contract that would be sufficiently flexible to permit the development of the project during the existence of contractual relations and at the same time protect the Government in the matter of the expenditure of the funds. During the course of the preparation of this contract I outlined to Mr. Newman the various essential requirements of a valid contract in the War Department, citing to him the various statutes and pointed out to him the necessary steps and conditions precedent to the execution of a contract. I especially pointed out that statute requiring the approval of the Secretary of War to an expenditure of \$5,000 or more. During these various conferences with Mr. Newman, Mr. Erskine accompanied him and took part in the discussions as an interested party in the transaction from the standpoint of the proponent. On Saturday, August 31, the final draft of the contract had been substantially agreed to. I was called into Lieut. Col. Wright's office late in the afternoon, and there met Lieut. Col. Wright, Mr. Henry Schmidt, Mr. Garden, his partner, architects, Mr. Newman, Mr. Shanks, and Mr. Erskine. Prior to this meeting, some time during the day, Mr. Erskine had suggested that Mr. Shanks would sign the contract and leave it in my possession until it was ready for execution on behalf of the Government by Gen. Marshall, in order to obviate the necessity of either Mr. Shank returning to Washington or of sending the papers on out to Chicago for signature. In the meeting Mr. Shank signed the contracts and I retained, and have retained since that time, the contract signed by him in my possession. Mr. Garden had been employed by the proponent to work up the plans and drawings for the hospital. I was told, probably by Lieut. Col. Wright, that if the Government took over this project, because of the unfinished state of the plans and specifications he would recommend the employment of the firm of Schmidt, Garden & Martin, architects, to complete the plans and specifications on behalf of the Government. With the knowledge that Mr. Garden had been working with the proponent, I deemed it necessary to include some where a record of the release of the proponent of any claim for services of these architects. This I did by including in a draft of a suggested form of resolution to be adopted by the Shank Co., such a release of the services of the architects. In passing, I might explain that it is the custom of this office, in the preparation of contracts, to prepare at the same time a form of resolution authorizing the officer signing a contract on behalf of a corporation to so execute the contract. It is also the custom of this office to prepare a form of bond, and it occurred to me that in order to have a record that would not be lost, of the severance of relationship between the proponent and the architectural firm, it would be just as well to insert that release in the resolution authorizing the execution of the contract. At the same meeting specifications which had been

prepared, were signed for identification by Mr. Shank, representing Shank Co. and Lieut. Col. Wright, representing Gen. Marshall, for the purpose of identification. These have been retained in my possession since August 31. The purpose of identifying these specifications is shown in the second paragraph of clause 2 of the contract.

I do not, at this time, recall specific conversations, nor do I recall specific statements made by any individual at this meeting, but it has always been my understanding that Mr. Shank was leaving for Chicago that night to prepare an organization to handle the work of constructing this hospital.

Q. Did you hear Col. Wright make any statement in regard to the necessity of proceeding immediately with the construction?—A. I have not heard Col. Wright make any statement of this character.

Q. Did you hear Col. Wright make any reference to the fact that the next step in the matter was the preparation of a report to be made by him, in order to get the necessary approval?—A. I have heard Col. Wright make a statement in substance, to that effect, but I can not place exactly when the statement was made.

Q. Did you hear at the time the plans and specifications were marked for identification, and the proposed contract signed by Shank, a statement by Col. Wright, substantially to the effect, that as the medical department had approved the project, that the plans now were agreed upon and the terms of the contract settled, that subsequent proceedings were a formality, but that there would be no doubt that it would be promptly taken care of? Did you hear any statement to that effect?—A. I do not recall any statement by Col. Wright to that effect.

Q. Did you hear all of the conversation or statements made by Col. Wright on the occasion of the identification of the documents that you have mentioned?—A. The identification was made in my presence, and I heard all of the conversations that took place in which Col. Wright made any statements immediately at that time, because I sat at his desk and identified Shank's signature to the contract and the specifications were signed at the same place.

Q. Was it your understanding that Mr. Shank was to return to Chicago and promptly proceed with the construction of the hospital?—A. No—my understanding was that he was going to Chicago to get his organization in shape so that the organization would be ready to start immediately at work when the project would be authorized or would receive the approval of the Secretary of War.

Q. Do you recall anything said by any of the parties in regard to that matter?—A. No—I do not recall any definite statements made by any of the parties. I will state this, that there was an atmosphere surrounding this project under which I, myself, entertained no doubt of the project being approved. It had come into this division, as I had been told, direct from the Secretary of War. It has been examined by our Hospital Engineering Department, and I had prepared a contract which I am satisfied, no exception could be taken to, from the standpoint of any failure to protect the Government in every possible contingency. The Surgeon General, I understood had approved the location and the project generally, so far as he was concerned, and while I recognized the legal requirement of the approval of the Secretary of War to the expenditure of War Department funds, nevertheless, because of the fact that every project I had seen go through in the ordinary routine of examination and recommendation from this office, had, as a matter of course, received the approval of the Secretary of War.

Q. Had you been present at the meeting at which the plans were gone over and considered by all of the experts of the construction division and of the Surgeon General's office?—A. No, sir.

Q. But you knew, as perhaps another basis for the atmosphere which you say existed, one who was known as a most expert hospital architect, besides the officer of various departments of the construction division, and the Surgeon General's Office, had given the plans very careful consideration during their development?—A. Yes, sir. My recollection of the mental attitude of this office on this project was at first one of opposition. The fact that Mr. Erskine, who was present at the introduction of this project into this office, seemed to have some association with men in higher authority, was resented, and it was only after these plans were developed and examined into, that this office rendered its approval.

Q. Did the proposition as originally presented, for which you were to prepare a contract, contemplate a guaranty policy covering the terms trans-

mitted?—A. Yes, sir. The original draft of the proposed contract of which I have spoken, contained an obligation on the part of the Shank Co. to furnish to the United States of America an owner's guaranty policy to be issued by the Chicago Title & Trust Co., in the sum of \$1,250,000, guaranteeing the unencumbered fee simple title to the real estate involved in this transaction. When I examined that particular section of their proposed contract, I made inquiry about the value of the real estate, and was told either by Mr. Newman, Mr. Erskine, or Col. Wright, that Mr. Hodge, of the real estate unit, had stated that this property was worth over a million dollars. During the process of drafting this contract, information came to this office, which was transmitted to me by Col. Wright, that the real estate unit had appraised this property at \$600 per acre, which would aggregate \$192,000. This valuation, of course, would not support an initial payment by the Government of the \$500,000, that was originally intended should be paid at the transfer of the title to the real estate. I, therefore, made inquiry and was told by Col. Wright that the utilities already in the premises would be of sufficient value to safely provide for a total guaranty policy of \$300,000. For this reason, the contract was altered to make provision for a \$300,000 guaranty policy.

Q. Where did this revised valuation of the property originate?—A. It came from the real estate unit of the office of the Director of Purchase, Storage and Traffic, which department is charged with the procurement of all real estate through purchase and lease for the War Department.

Q. What officers are in that department?—A. A Maj. Holden was at the head of that department at that time. Mr. Hodge formerly was at the head of it. I think a man by the name of Trainer, is also in the real-estate unit. I think this is the same gentleman who is on the hospital commission with Mr. Schmidt, and some representative of the Medical Corps.

Q. Was there any discussion at any time in which you participated, and at which Mr. Shank, or Mr. Erskine, or Mr. Newman were present, in which the provision of the second paragraph of the contract, relative to procedure with the work was discussed?—A. The only one who was present, in my recollection, when this clause was drafted was Mr. Newman. It was drafted to fit the situation, which is very aptly expressed in the clause itself. That is, the plans and specifications were incomplete if the project were to meet the approval of the Secretary of War, but work could be begun immediately under the provisions of this clause and developed in accordance with plans and specifications that would afterwards be forthcoming. I do not recall making any special statement directing Mr. Newman's attention to the fact that this clause could only speak from the date of the contract, but I think that that was rather understood and the fact that the contract itself still remains undated would rather indicate that from the standpoint of the legal liability accrued by this clause that there is none.

Q. Do you recall that on the same day, approximately the same time, the copy of the draft of contract was signed by Mr. Shank, that the parties, that is, Mr. Shank and Col. Wright, representing Gen. Marshall, identified these specifications by their signature and also the plans?—A. Yes, sir. That was done at that same time.

Q. How many copies of the complete sets of plans were identified in that manner?—A. Two.

Q. And the specifications?—A. Two.

Q. What were done with the sets of plans?—A. The plans were retained by Col. Wright, and afterwards put into my office to be kept with the specifications and the contracts.

Q. Are you very certain, Major, that both sets of the plans which you say were so identified were kept in that manner?—A. No; I am not. I remember I had here in this office only one set of plans when they were sent to you, or were to be sent to you.

Q. So that you were mistaken in regard to that?—A. Yes, sir.

Q. The fact is that only one set of the plans were retained by you?—A. Yes; that is so.

Q. What became of the other set so marked and identified?—A. I do not know where the other set of plans is, unless Col. Wright has them.

Q. Do you not recall that the other set was at the time delivered to Mr. Shank?—A. No; I don't remember that, Major.

Q. You do not?—A. No.

Q. Do you remember instructions or statements made to Mr. Schmidt or Mr. Garden at or about that time in regard to their work and the risk assumed if

he should proceed before the contract had received final approval?—A. I don't remember of hearing any direction to either Mr. Schmidt or Mr. Garden about what their work was to consist of. The only thing that I have in mind on that subject is Col. Wright's statement. He told me that they would be employed by the Government, or he would recommend their employment by the Government, to complete their plans and specifications.

Q. Have you recollection of any facts or conversations or incidents in connection with this matter which might be relevant to the determination of the effect of the negotiations on the merits of the project or a claim for equitable relief in respect thereto, in view of the fact that construction, in a measure, had proceeded before the work was started, aside from what will appear in the written documents?—A. I could not advise the proponent or anybody associated from this standpoint in this negotiation, nor make any statements which would assist it in a claim against the Government; but in answer to that question in connection with the investigation in which I am now being interrogated, I am of the opinion that with the knowledge that the proponent was proceeding with the construction of this hospital, at the time the project was disapproved by the Secretary of War, new negotiations lent encouragement to think that the project would ultimately be approved in some form other than the form in which their proposal had originally been made. It is my understanding that they have proceeded with the construction of this hospital even in the face of the first disapproval of the Secretary of War. I say this not in any criticism of any of the officers who have been handling this matter, but to my mind there was established through the failure to abruptly shut off negotiations over this hospital, the construction of which was continued by the proponent, a rather well-grounded anticipation that the project would be approved in some form or other.

Q. There is no doubt, is there, that the Construction Division knew that Shank was proceeding with the construction from the time he returned to Chicago, and before the contract had been disapproved?—A. That I can't answer, except that I do know, at the time the disapproval of this project became known, that work had been started in the construction of the building.

Q. You have pretty thoroughly gone into the facts of this matter with officers of the other branches of the division, have you not?—A. I have discussed this matter with Lieut. Col. Wright only, except at the beginning, when Col. Shelby turned Mr. Newman over to me.

Q. Is there any doubt that the division was in communication with Mr. Schmidt or Mr. Garden, or that firm of architects, and through them were kept informed of the construction going on prior to any action in regard to the disapproval of the contract?—A. That I do not know. I can not, at this time, recall any incident in connection with this project being called to my attention, between the time that the contract was signed, on August 31, and the time the project was disapproved by the Secretary of War.

Q. There is no question in your mind but that Shank and his associates have no legal claim whatever for the work that has been done in the matter of this construction?—A. There is no question in my mind that Shank & Co. have no legal claim against the Government.

Q. I take it from your statement that you are of opinion that there might have been foundation for an equitable claim arising from a failure to positively notify Shank & Co. to stop construction at the time of the disapproval of the contract, and that the continuance of negotiations in respect to it might afford reasonable ground for their belief that the contract was to be approved in some form. Am I correct in that?—A. Yes, sir. In making this statement I rather think it also should be stated that the reason Shank & Co. were not directed to stop the work in this office, was that it would have been an inconsistent position for this office to have directed them to stop the work, which they had never specifically directed them to proceed with. However, this does not alter in my mind the equitable claim that Shank & Co. would have against the Government.

Q. By reason of your connection with the matter in the preparation of the contract, you received from some source, or thought you received, accurate information in regard to the character of the transaction or project originally proposed. Did you not?—A. Yes, sir.

Q. Did you understand that the project contemplated was that Mr. Hines or other parties were to provide the Government a complete up-to-date fireproof hospital unit, as a reconstruction hospital, at a price to the Government based upon the usual cost of the temporary frail structures that have been built for

that purpose, and that the additional expense of such construction was being contributed by Mr. Hines, or parties not known to you, as a donation or voluntary contribution to the Government?—A. Yes, sir. Mr. Erskine made statement to that effect early in the negotiations in this office.

Q. Isn't it a fact that that was pretty fully understood among the officers connected with the transaction in the Construction Division so far as you observed?—A. Yes, sir; except that we never knew who the people were who were going to do this.

Q. As stated, that seemed a substantial contribution, did it not?—A. My recollection along that line is that when the project was rather superficially examined at first, that Col. Wright told me that they could not do it for the sum of money they were proposing to do it, and I pointed out the fact that the Government was going to be very well secured, or at least there would be an opportunity to amply secure the Government in the complete performance of the contract, but that was rather indefinite in opinion as to just what that meant. Mr. Erskine had stated that there were parties interested in this who were solely interested in having in Chicago a fireproof hospital for the boys who would come back to this country in need of reconstruction.

Q. Have you fully stated, Major, all the facts or information which you recall in regard to these negotiations?—A. At some one of the conferences held between Mr. Hines, Mr. Shank, and myself, after the project had originally been disapproved and they were sent back for required negotiations, Mr. Shank stated in effect that he was keeping his men at work on this building pending the negotiations, because if he let go it would be very difficult to get an organization back at work again.

Q. Do you know whether the Construction Division ever made an estimate from original computation of the cost of the structures covered by the contract which you had prepared?—A. I do not know positively, but it is my recollection that a very careful estimate was made by the engineer department of this division.

Q. Do you know that I have asked for copies of all documents relating to this transaction?—A. Yes, sir. Maj. Maupin notified me of this yesterday, and notified me that you were making an investigation at the direction of the Secretary of War, and that it was your desire to have all of the facts in any way relating to this hospital project.

Q. Did you see the request that I sent for documents?—A. Yes, sir; I saw it. My recollection of it was that you asked for the contract bearing the signature of the Shank Co., the specification identified by the signature of the Shank Co. and some officer on behalf of this division, and such other documents as would have any bearing upon this subject.

Q. Do you think the request is broad enough to develop everything in the division bearing on the transaction, including that estimate of cost which I regard as quite material?—A. There might possibly be some reports in this division from officers making examination of this project, which ought to be in the general files of the division.

Q. Will you be able to give advice before you leave in regard to my desires for complete records in that respect?—A. I will ask Lieut. Col. Wright to have an examination made of the general files of this division on Monday, so that he can turn over for examination all the papers in this office.

Q. Then in addition to that I wanted in any case where this office did not have the complete record, a reference from some one as to just where those documents could be found. I wondered, for instance, whether the records of this office would contain the reports of the real estate experts as to valuation or the department on emergency construction of the War Industries Board.—A. In the ordinary case we would have a report as to the selection of a contractor by the emergency committee, but in this case my understanding was that Col. Starrett made a special examination of this project for the Assistant Secretary of War, and that his report went direct to him. Now, as to the reports of appraisers of the real estate unit, it is my impression that such reports would be a part of the files of the real estate unit of the office of the Director of Purchase, Storage and Traffic. Reports relating to the desirability of a hospital, I believe, will be found in the Office of the Surgeon General.

Q. Did you ever know of a proposition other than this Speedway project that had received the approval of the originating department and the Construction Division, and the emergency construction department, and the War Industries Board, and the General Staff that has not received the approval of the Secretary of War?—A. I have no knowledge of any such case. As a matter of fact, in

no way lacking appreciation of the real function of the Secretary of War and of the care of his office in examining the projects, it is my impression that having delegated certain parts of the examination of this project among the various departments of the Army that when the division reports upon it it is usual that the project is approved as a matter of course. As a matter of fact, I have seen several instances in which a contractor who was selected by the emergency committee upon a project that was required and had been examined into and approved has been put to work before the Secretary of War has finally approved the entire thing, with the understanding that if the Secretary of War disapproves of it, that he will be reimbursed for the work that he does.

Q. Do you know whether or not any such arrangement was made in this particular project?—A. No; no such arrangement was made in this project.

Q. Do you think you would have been informed if any such arrangement had been made?—A. Because of the peculiar nature of this project we would not have authorized the contractor directly to go to work on it without the expressed approval of the Secretary of War.

Q. Do you know of any cases where a project approved by the Construction Division other than this one, that has not received final approval?—A. No; I do not.

Q. Do you know, or have you been informed that active opposition developed from some source over this project after the matter had left this division?—A. I came to that conclusion. What my grounds were I can not remember, but it was probably due to the fact that knowing the project had been approved by the various divisions of the Army who were interested, I was very much surprised to hear that it had been disapproved.

Q. Do you know where or from what sources opposition originated?—A. No; I do not know. Nobody in this division with whom I have had anything to do, namely, Col. Wright and Col. Shelby, on this project has had anything to do with preventing it from going through.

Q. Have you heard in any way that you can suggest to me the sources from which objection originated?—A. No; I have not heard.

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#### FOSTER EXHIBIT 6.

RECORD OF EXAMINATION OF MR. P. H. FOSTER, NOVEMBER 6, 1918.

Mr. F. H. Foster, being first duly sworn, was interrogated as follows:

Q. What is your business, Mr. Foster?—A. Contractor.

Q. And by whom are you employed or associated?—A. I am secretary and treasurer of the Shank Co.

Q. Are you owner of stock in the company?—A. I am.

Q. And how long have you been associated with that company?—A. Ever since its organization, which was, I think, 1901.

Q. Did you have information of the first plan under which the Speedway Track was offered for sale to the Government?—A. In a general way. Shall I state what I recall of it?

Q. Yes.—A. As I recall, it was offered to the Government for a million and a quarter dollars, through Hodge and Chandler, the intention being at the time, as we were figuring, for a series of warehouses to be built there for the Government.

Q. Hodge and Chandler were real estate agents?—A. They were.

Q. Have you a knowledge that their commission on the transaction, had it gone through, would have been approximately \$50,000?—A. Yes; I think \$50,000 was the exact figure.

Q. What became of that project?—A. It seemed to peter out. Mr. Shank went to Washington. He went there with Mr. Hines or met him there—I think they went together—and they submitted it to whom, I don't know, and nothing ever came of it.

Q. Have you knowledge of a subsequent proposition in regard to the property, the one that was made next after that?—A. The only other one I recall was the hospital proposition.

Q. When did you first have information in regard to that project?—A. I should think it was the late winter or early spring.

Q. What was that plan as originally contemplated?—A. As I recall it now, it was to build a hospital there according to plans approved by Government representatives, and sell the ground and building to the Government.



Q. Was that the plan that was put in final shape?—A. According to plans and specifications?

Q. Yes.—A. Prior to that there was considerable talk about the warehouses, but the next plan after the warehouses was abandoned was the hospital project. There was some talk about a general repair shop for the Ordnance Department.

Q. Now, coming down to the hospital project, as originally contemplated, was that submitted in the first instance as a profitable business undertaking or did you understand it would mean a sacrifice of the investment?—A. It would have met a sacrifice of many hundred thousand dollars.

Q. What was the reason, so far as you know, for undertaking it, and how was it suggested in the first place?—A. Mr. Shank handled most of those early negotiations. I don't know who suggested it or how it started. Of course, we had quite an investment there and we had figured that a hospital could be built there and sold to the Government, as I recall it, for \$2,500,000. Our original plan contemplated using the grand stand, using the steel in the grand stand, as part of the carrying walls. That was subsequently changed.

Q. How was the Shank Co. going to come out whole in the transaction?—A. It wouldn't have come out whole. I know Mr. Hines was very much interested in the proposition. I talked with him several times. He thought it would be an excellent thing to build there for the Government, with the full knowledge that there would be quite a loss.

Q. Did Mr. Hines expect the Shank Co. to stand their share of the loss?—A. Oh, yes; it was to be prorated.

Q. The interest of the Shank Co. was approximately one-thirteenth?—A. Yes.

Q. Who was the first person outside your own firm, with whom the matter was discussed?—A. We talked with Mr. Hines, I think.

Q. And from Mr. Hines you gained his willingness to participate in the loss?—A. Yes.

Q. Whatever the loss was, it would be twelve-thirteenths to him and one-thirteenth to you?—A. Yes.

Q. What seemed to be the reason, then, for undertaking such a work?—A. Mr. Hines, when I first talked to him about it, seemed to go largely on the idea that it would be a grand thing to build a hospital for the Government; in fact, I have heard him talk of building a hospital and donating it. I think he has made reference to it several times in the past.

Q. Talking to Mr. Shank and Mr. Hines, did you prior to this time know of this anxiety on their part in regard to the security they had invested in there?—A. No great anxiety. We knew we had a very heavy investment there. We were unfortunate in the racing end of it, which we attributed largely to the war.

Our first race was in June, 1917, and one of the drawing cards for a race of that kind was to have a foreign driver, and one of the foreign drivers we figured on getting was unable to come.

Q. There was no other source of income on the investment?—A. No.

Q. Was it a substantial cost to carry that property?—A. We had taxes there running about \$11,000 per annum. We had quite an insurance premium, and to get fire insurance we had to have the property watched. We had to put in a siren that would blow at any time there was a fire. We had to put in hose carts and keep five or six men all the time. It made an item of expense. We had to do that to get the fire insurance.

Q. Other than Mr. Hines and members of your own company, who was it you first saw and talked to in regard to the matter?—A. In regard to the hospital end of it?

Q. Yes.—A. I am not clear, but the first ones I recall I spoke with were Clark and Trainer.

Q. Where did you talk to them about it?—A. In my office.

Q. Was that before there had been much headway in the hospital proposition?—A. It was after it had been talked over among ourselves, but there hadn't been any great headway.

Q. State fairly just what was said by either of these gentlemen?—A. They came into the office to see Mr. Shank, and he said to me, "Come into one of the rooms, I want to introduce you to these gentlemen." I happened to be in the cashier's cage at the time, and I asked them to step around in there, and he introduced me to both Mr. Clark and Mr. Trainer. Their names had been familiar to me for years, but I had never met either one of them before. I think it was Mr. Trainer who suggested we arrange a meeting with Mr. Hines, and I told them I could do that.

Q. Did they indicate the purpose of meeting Mr. Hines?—A. If they didn't indicate it, I had it in my mind, for I remember of surmising to Mr. Hines. I went to Mr. Hines and told him about it and he refused to meet them.

Q. Then you must have had some impression of the purpose of the interview?—A. Yes; it was in my mind, but I can't state what was said.

Q. Did you go to Mr. Hines personally?—A. I did.

Q. What did you say to Mr. Hines?—A. I told him Mr. Clark and Mr. Trainor had been in and wanted to see him in connection with that hospital matter, and I think I volunteered what I thought.

Q. What was it you thought?—A. The thought was that they were looking for something.

Q. Can you state any specific thing that was said by either gentleman that led to that impression?—A. No; I can not.

Q. Are you prepared to say that nothing was said that would justify the impression, but that it was an impression you had?—A. I wouldn't want to be positive on that. Being in the business as long as I have, I am looking for angles like that. In three deals out of five, there are always additional claimants for commission, and it makes me more suspicious.

Q. Now, Hodge & Chandler had this property on their books for sale, didn't they?—A. Yes.

Q. And hadn't it been given to other agents?—A. I don't recall of their giving it to anyone else.

Q. Can you state whether it had ever been given to the firm of Trainor & Clark?—A. No; I never knew of it if it had.

Q. Was anything said at that interview there with Trainor & Clark in regard to the sale of the property or the prospect of the Government taking it?—A. There must have been for that was what I had in mind at the time, because I was figuring it was for the Government they were interesting themselves in it.

Q. Did you know at that time that Mr. Trainor represented the Government in some capacity?—A. No; but subsequent to that I heard of it.

Q. But what you stated to Mr. Hines in regard to the purpose of their interview with him, you think, was in the form of a suspicion on your part?—A. I would like to answer that definitely; if there was nothing said on that subject, I at least inferred it. I know I had that idea.

Q. But you are unable to state anything that was specific that was said that would justify that conclusion, is that so?—A. Yes; that is so.

Q. It is fair to say then that you are unable to recall any specific thing said by either Clark or Trainor to justify your suspicion they desired to get in to the transaction to get a commission in the event the property was sold?—A. I don't state positively that nothing was said, but that I fail to recollect.

Q. That is the best statement that you are able to make at this time?—A. Yes.

Q. You are unable to state they did not make any statement?—A. No.

Q. But you are positive that you can not at this time recall anything that was said by them that would justify that impression, in your mind?—A. No; I can not recall any of the words.

Q. Well, that is a fair statement; I want to get the exact situation so far as your recollection serves you at this time. There is no doubt that you did have the definite impression?—A. I did.

Q. And there is no doubt that you communicated that impression to Mr. Hines?—A. Yes; I did.

Q. Is it your impression that you communicated that to Mr. Hines as an impression or as a definite statement?—A. That I can not recall, but I remember of being suspicious in a way, but I do recall definitely of them asking me to arrange a meeting for them with Mr. Hines.

Q. Now, Mr. Hines made a definite statement to you that he wouldn't see them?—A. Yes; or something of that kind.

Q. What was done?—A. That conversation was in his office, and I went back to my office then.

Q. Did you see Mr. Clark or Mr. Trainor since then?—A. I haven't seen Mr. Clark, and I have seen Mr. Trainor just once. I was asked over the phone to go to a meeting in Mr. Newman's office.

Q. Was that subsequent to this first meeting?—A. Yes.

Q. You are sure of that?—A. I am quite certain of it.

Q. You would certainly remember if you had seen them in Mr. Newman's office before this?—A. Yes.

Q. So there is no doubt about that that this first call at the office was prior to the interview at Mr. Newman's office?—A. Yes; because I recognized Trainor.

Q. When you saw him in Mr. Newman's office you recognized him?—A. Yes.

Q. Was it soon after—or a day or two after—the first meeting?—A. I wouldn't want to state that.

Q. But you did go to Mr. Newman's office?—A. Yes.

Q. Now, state definitely what took place at the meeting?—A. The meeting had been in progress some time when I got there. They were talking and arguing on hospitals, and Mr. Trainor was talking in favor of a hospital to be built in one of the ball parks—the Cub Park. In fact, he did all the talking. There was a Mr. Erskine, who talked a little bit. His ideas didn't seem to jibe with Mr. Trainor's. Mr. Trainor is a very fluent talker and did nearly all of the talking.

Q. What did he say specifically in regard to this project, as you recall?—A. I can't recall any specific remark, except the impression that he was not in favor of it to any great degree.

Q. What appeared to be the object of the meeting and the object of calling you there?—A. Mr. Shank called me over, and he wanted me to sit in with him, and supposed that I should hear it. I can recall one or two statements. He spoke of having an offer from Mr. Armour to put in half a million dollars, and had another offer from the University of Illinois. They would make a donation of a like amount if the hospital were built in the Cub park, which would be a reason why they should select that location. I think he referred to a letter that he had seen from Mr. Armour, that his donation would be made on conditions named by his daughter.

Q. Was it the object, then, to have Mr. Hines contribute to the Armour hospital or do something of the same character on the Speedway?—A. I don't think I perceived any intention of that kind.

Q. About how long after this first visit of Mr. Trainor was this conference in Mr. Newman's office?—A. It might have been within two days or two weeks—something of that kind. It was within that time.

Q. Now, Mr. Hines had stated positively to you that he wouldn't see them or have anything to do with them?—A. Yes.

Q. Did you communicate that message to them in any way?—A. I did not; but I did tell it to Mr. Shank.

Q. You don't know whether Mr. Shank communicated that to them?—A. I do not.

Q. Was Mr. Hines present at this conference in Mr. Newman's office?—A. No.

Q. What was the result of the meeting? Was anything done?—A. I left before it was out. There was nothing done while I was there.

Q. Did you ever see Mr. Trainor or Mr. Clark since that time?—A. No.

Q. Have you any knowledge of any further efforts by either of them to get in on the deal in any way?—A. No; I haven't met either one of them since or talked about it in any way.

Q. So there was never any suggestion made to you or in your presence, of which you have any knowledge, of their desire to get in and get any commission out of the deal?—A. No.

Q. Now, in the absence of Mr. Shank, were you the first one to get word that you were to stop work on this project?—A. Yes; I think that came in the form of a telegram.

Q. Did you telephone on to Mr. Shank at Washington, or wire him?—A. I am not sure that you correctly state the contents of the telegram. I don't know whether it said to stop work or wanted to know whether we had commenced the work. That is my impression right now, instead of stopping the work; but I can produce the telegram. At any rate it was a bump to me.

Q. But you communicated immediately with Mr. Shank?—A. Yes; I think I wired him right off; if I did, I have a copy of that wire. I know if he were in Washington, I would have wired him.

Q. Have you accurate statements of the expense that has been incurred, obligations incurred, up to this time in connection with the project?—A. I would know more about it than anyone else, but I haven't figured it out. It would take me some little time to figure that out; of course, we have let quite a few subcontracts.

Q. I wish you would prepare and give me a complete statement of that some time to-morrow?—A. If I can not get it completed to-morrow night, may I certify and mail it to you?

Q. You get it in shape just as soon as you can, and mail it to Maj. L. W. Stotesbury, Room 510, Mills Building, Washington, D. C.—A. Now, that covers, as I understand it, what you have expended and what we have contracted for?—A. Yes.

Q. Yes. Mr. Shank is also preparing a statement for me in regard to just what was on the premises at the time the work was started in the form of materials. Did you keep records of the number of men who have been daily on the job?—A. We have a daily record of it.

Q. I wish you would incorporate in your statement a record of your labor items as well.—A. Do you wish the number of employees we have each day, or the average number?

Q. Well, the average number.—A. Do you wish that divided as to trades?

Q. Yes; if you can conveniently put that that way. Did you ever receive a bona fide offer for the purchase of this property?—A. Never.

Q. Were you ever visited by anyone representing the real estate board of trade with a view to appraising the value of the property?—A. No. You mean approached by any valuation committee of the real estate board?

Q. Yes.—A. No.

Q. Do you know a man by the name of Peter Rheinburg?—A. By reputation only.

Q. Who is he?—A. President of the county board; I think, forest preserve.

Q. Is that it?—A. I think so.

Q. Do you know a man by the name of Hitchcock?—A. I do not. I think Peter Rheinburg is president of the county commissioners.

Q. Have you any personal knowledge of other matters in connection with this transaction that I haven't asked you about?—A. No; I have had very little to do with it.

NOVEMBER 7, 1918, SUPPLEMENTAL EXAMINATION OF MR. F. H. FOSTER.

Mr. Foster, you were sworn as a witness yesterday and your oath still maintains in this examination?—A. Yes, sir.

Q. In order to bring out fully the facts of your first interview with Mr. Trainor, I want to ask you if you did not, in the subsequent talk with Mr. Hines, mention the name of Mr. Reynolds?—A. Yes.

Q. Are you quite certain of that?—A. I am.

Q. What did you say about Mr. Reynolds?—A. That Mr. Hines was to meet Mr. Trainor and go with him to Mr. Reynolds.

Q. Where did you get that idea?—A. From conversation with Clark and Trainor.

Q. Yesterday, in your testimony, my recollection is that you had no recollection of anything that had been said directly by either Mr. Trainor or Mr. Clark in regard to a money interest. You thought that was just an impression that you had gathered. Does this suggestion or reference to Mr. Reynolds remind you any more fully of what the conversation was with Mr. Trainor and Mr. Clark?—A. I can recall now that Mr. Reynolds's name was mentioned, and that Mr. Hines was to see Mr. Reynolds, the inference being—

Q. Never mind the inference. I want to know just what was said about Mr. Hines seeing Mr. Reynolds.—A. I am a little hazy about the real words, and I don't want to romance any of this.

Q. Now, your recollection is clear that Mr. Trainor desired Mr. Hines to see Mr. Reynolds?—A. Yes.

Q. There is no doubt that what Mr. Trainor wanted was an interview with Mr. Hines?—A. He asked for an introduction to Mr. Hines, and together they were to see Mr. Reynolds, or Mr. Hines was to arrange a meeting or something of that kind.

Q. Did Mr. Trainor say that he wanted to meet Mr. Hines for any specific purpose that he mentioned or referred to?—A. With a view to meeting Mr. Reynolds through Mr. Hines.

Q. Is that your best recollection in regard to it?—A. That is all I recall just now.

Q. Was the amount of \$100,000, or any other sum, mentioned by either Trainor or Clark at the interview referred to?—A. Not in my presence. I only talked to them a very few minutes.

Q. Now, when you communicated the desire for a conference to Mr. Hines, did you state not only matters that you obtained from that interview, but other facts that had been communicated to you by Mr. Shank?—A. Presumably, on account of being very well acquainted with Mr. Hines, I would not only tell him what I heard but what I surmised.

Q. But, as far as you personally heard the conversation, there was no mention of any amount of money?—A. No, sir; not in my presence. My talk was very short with them.

Q. You have no further recollection than of what you have now stated and yesterday?—A. No; nothing further.

Q. Did Mr. Trainor and Mr. Clark, or either of them, have a talk with Mr. Shank when you were not present?—A. They were talking with Mr. Shank when he called me to meet them, and I was busy back of the cage, and I suggested, as I recall it, that they come around there.

Q. So there was some conversation that you didn't hear?—A. Yes; Mr. Shank introduced me to them.

Q. Let me have again a statement of your final recollection, Mr. Foster.—A. They were both talking, but I would state it was Mr. Trainor who said he wanted to meet Mr. Hines, and either go with him or arrange a meeting with Mr. Reynolds. I remember of him stating that they could be of service, which he knew they could, at that time, but I don't recall the words that led me to think that they were to be taken care of. That was the impression I had.

Q. Was the statement substantially of this character, made by Mr. Trainor in your presence? Addressing Mr. Shank, Mr. Trainor stated: "You know Mr. Shank that we are in a position to help on this matter, and it is only proper that we should be looked out for, and I should like to have a talk with Mr. Hines along these lines, and if he would go to Mr. Reynolds and arrange a meeting I think I could be of material assistance in this matter, and I wish you would arrange with Mr. Hines to see me in regard to that, so it could be taken up with Mr. Reynolds"?—A. That covers the impression that I had, but it is pretty hard for me to recall the words.

Q. You certainly had that impression?—A. I did.

Q. From certain things that had taken place at that interview?—A. Yes.

Q. What is the impression as to the length of the interview?—A. Very short.

Q. Now, is there any doubt that you communicated to Mr. Hines subsequently the result not only of your impression of what had been said and that you did recite to Mr. Hines that these gentlemen had called with a view of getting into the transaction and getting something out of it, and that they were desirous of making an appointment with Mr. Hines for the purpose of seeing Mr. Reynolds to make an arrangement that would be satisfactory?—A. I will say very positively I told Mr. Hines what was said and might possibly have added more of the inference I had, by reason of my acquaintance with Mr. Hines.

Q. You stated what they said and also stated what you believed to be the object of it?—A. I unquestionably would have done so.

Q. If at that interview you gave Mr. Hines the impression that either Mr. Trainor or Mr. Clark had demanded a consideration of \$100,000 and desired assurances that they were going to receive that amount to assist in putting this project through, do you think that was justified by anything that was said by either Mr. Hines or Mr. Clark at this two-minute interview?—A. I will say what I said to Mr. Hines I believed at that time.

Q. It is not a question of your belief, but I am anxious now to get at the real fact, if from what you said or the manner in which it was stated conveyed that impression, would that be justified by anything that either Mr. Clark and Mr. Trainor had actually said at that interview?—A. If I made the statement point blank that way, it would have been justified. I don't recall whether I put in some of my suggestions or not, but I know whatever I said to Mr. Hines at the time I said it I believed it.

Q. I am asking now for your best recollection of whether any impression of that sort was justified by anything they said, that you now recollect?—A. I don't recollect any sum of money being mentioned.

Q. Then, it would be fair to say that if such an impression were created by your statement, that it was not justified by your present recollection of what either man said?—A. I will say that from my present recollection I can not think of anything that would justify a remark by me that a sum of money was mentioned.

(At this point a supplemental examination of Mr. Shank intervened, at the conclusion of which Mr. Shank made a statement of his recollection of the interview referred to by Mr. Foster in his testimony, and then the inspector, Maj. Louis W. Stotesbury, asked Mr. Foster the question that hereafter follows:)

Q. Do you sustain that impression, too, Mr. Foster?—A. Yes; that they wanted compensation. I can't recall the words that conveyed the impression to me.

## CLARK EXHIBIT 7.

NOVEMBER 8, 1918, RECORD OF THE EXAMINATION OF WALLACE G. CLARK.

Statement by Maj. LOUIS W. STOTESBURY: In view of your own situation and it being impossible to anticipate what might come out of any information that I obtain, I ought to say to you that any statement you make here could be used against you; and under those circumstances I wish you, in connection with any statement you make, to consider it a voluntary statement on your part, and are you willing to make a statement under those conditions?—A. I am willing to make any statement, and any statement I make will be voluntary.

Mr. Wallace G. Clark, then being duly sworn, was interrogated as follows:

Q. What is your business?—A. I am in the real estate business. I am the senior member of the firm of Clark & Trainor.

Q. Where is your office?—A. Michigan Boulevard Building, Chicago, Ill., 30 North Michigan Avenue.

Q. Will you state the length of time you have been in the business, and particularly identify yourself as you would if you were going to testify as an expert?—A. I have been in the real estate business for thirty-odd years, actively engaged in it in the city of Chicago, and in subdivision work in the earlier days and building operations, and the last number of years work has been more confined to simply properties and in valuating properties as well. Mr. Trainor has been associated with me 25 years, I should say, more or less.

Q. What public offices have you held?—A. I have been trustee of the sanitary district of Chicago since 1905, serving continuously since that period, my present term expiring in November, 1920. During the larger portion of that period I have been chairman of the engineering committee, where it has to do with all construction work.

Q. Are you familiar with the property known as the Speedway Track?—

A. I am familiar with the property. I have seen it and know its location.

Q. Have you examined the property recently?—A. In recent years I have not been through the property but once, and that was the early part of spring, in March or April, I should say.

Q. Have you been actually on the Speedway Track or inclosure?—A. Last spring, yes; along in March.

Q. You have been out there since the boulevards and macadamized roads have been put in?—A. I have been in the Speedway several times when they had the races there, and then I have been by it and passed there.

Q. Did you have anything to do with the original acquisition of that property from Mr. Reed?—A. No; I don't know who Mr. Reed is. I don't think I do.

Q. The Mr. Reed referred to is the organizer of the original Speedway Park Association?—A. I don't know him. At least I don't recall him.

Q. Who acquired the property by the purchase of the smaller parcels, finally combining them? Now, this Speedway Park tract of 320 acres—you have no information of the circumstances under which he purchased the property?—A. No.

Q. Or what he paid for it?—A. I have some knowledge of what was paid for it from the records, is all.

Q. Well, if you have looked up the record, is it not a fact that in many of the transactions the consideration recorded was \$1 and other considerations, which would not give a correct line from that source?—A. Well, I haven't looked up the records only as information was given me from a Walter Mills. When the real estate board put the value on this property, Walter Mills had a plat showing transfers and a statement of what these people had paid originally for the property, and his statement to me that he had been in a condemnation suit and that had necessitated him, in representing certain railroads, to gather this information. I have never seen the records myself.

Q. Have you ever been asked to express any opinion as to the value of this property?—A. Do you mean anyone connected with the Government?

Q. In connection with the real estate exchange valuation committee or in any case to give a formal expression of opinion as to the valuation?—A. I have been called on the 'phone asking what my opinion was of values in that territory, and I guess they were given it. It has been just answering some question.

Q. You have a general knowledge of that locality?—A. Yes.

Q. Would it be of any assistance to you to look at the map in connection with that?—A. Yes.

Q. What are the suburban towns surrounding the Speedway location?—A. There is River View and Oak Park I know you go right through to reach there—Maywood and River Forest.

Q. Does Maywood immediately adjoin the Speedway Park?—A. Maywood goes down to it; yes.

Q. Would the location of the Speedway be defined as Maywood?—A. I don't think it would.

Q. Do these settlements out there—have they separate incorporations; what do you call them?—A. They are separate municipalities, all included in the sanitary district that I have referred to.

Q. Has there been a considerable growth and development of population in that territory in the last four or five years?—A. That territory was growing about the time the war started. I think the growth and development has been practically standing still since then. Before that there was more or less development. I know Cummings had quite a subdivision in there.

Q. Do you recall when the boulevards were extended out to or beyond the Speedway?—A. I can not say when. I would say they had been put in since the Speedway was built.

Q. Do you know how close the trolley goes to the Speedway?—A. My remembrance is that during the time they were using the Speedway they had the Metropolitan extended out there, and the Illinois Central also delivered passengers at the Speedway.

Q. And the Illinois Central runs across the property, does it not?—A. Yes. I would say that I haven't visited the property specially, with a view of putting a valuation on it. That is my general knowledge of the city of Chicago—locations within certain distances from the business center and the general character of improvements surrounding it. I know this property has water, and the sewer is in on the property, and development of that kind.

Q. From your general knowledge as an expert, would the tract of 320 acres in one piece and under one ownership be more valuable than the separate pieces before they were acquired?—A. Absolutely.

Q. You referred in conversation—I don't know whether it is on the record—to the very considerable increase of the valuation of property within the city limits, by reason of a consolidation, would that same proportion apply to property in the location of the Speedway?—A. Not to what I was referring then in the sanitary district. When you consolidate a block under one ownership you have very materially increased its value in a certain proportion; a large ownership of that size within the loop district would have a very material enhancement because it is under one ownership. It is my judgment that you can not take a line and make a circle that would take in the Speedway Park, and run that circle around the same distance from the loop district, and find a 300-acre tract that could be purchased under \$1,000 an acre. Now, in a great city like this you go out with money in your hand to buy property, you may find some weak spots. That is always true. You will even find it down town. There are conditions that affect prices—conditions of ownership, requirements of that ownership for money. To illustrate that, I take my recent experience here of this summer, locating the Johns-Manville property at Waukegan, 35 miles from the loop district of Chicago, where a 1,253-acre tract cost \$400 an acre, and that was \$100 lower than the property could have been purchased at any other time. That was 35 miles away. Take on the south side; I just recently sold the Aetna Steel Co. the land on the Calumet River, adjacent to Riverdale, property known as the old Pullman farm. It could also be described as the "Goose Neck" on the Calumet River, at \$1,000 an acre.

Q. How far is that from the loop district?—A. That would be approximately 15 or 16 miles from the loop district. The Speedway, as I remember it, is about 10 miles from the loop district.

Q. What, in your opinion, would the increase in valuation be, resulting from the consolidation of that tract of 320 acres as one piece? How much would that enhance its valuation?—A. I don't know as I could make any average measurement; but if you were to get together a 320-acre tract, and there were a dozen ownerships of the property you were getting together, you would find quite a variance in the price they would pay to various ownerships, and where there is a strong ownership you would pay the top notch, but the fact that this has all been worked out in one ownership makes it so much more inviting to a prospective purchaser, because he knows there is only one owner. When you take

a large ownership, where it runs into a number of owners, you may find the property entailed one way or another, just as the ownership I spoke of at Aaukegan; it has taken more than 40 or 50 days to clear the title which I have had under contract more than three months, and this week we expect to pass the title to the John Manville people. Those are the complications you get into with a large number of ownerships.

Q. Do you happen to know the average elevation of that tract above what they call the city datum?—A. I am not able to tell you exactly, but I should say that this level over here [referring to map], without checking myself up on it—I think it must be at least 30 feet above the lake level.

Q. You haven't investigated?—A. I haven't investigated. I say without checking myself up. There is a little drop this way, but it doesn't seem to me that the drop is much more than 10 feet in the difference of level from here than there.

Q. Would it make a difference if it would turn out to be 45 feet above the datum level? Would that make any substantial difference in the valuation?—A. No; this property is all capable of drainage. The question is, whether it is high enough to be capable of proper drainage, and it is high enough to be susceptible of proper drainage. We are draining all this property through here. The purpose for which this drainage district was organized was for the handling of the sewerage problem and in getting outlets to these lands, because another municipality lies between that and our channel. We had to obtain jurisdiction to go through there and get an outlet. We don't put in collateral sewers, but we get an outlet to all these outlying districts.

Q. Would the fact that boulevards macadamized and asphalt roads had been put in since the building of the Speedway Park add materially to the value of the property?—A. Yes; very materially.

Q. Now, would the extension of the elevated road to the tract add to the value of it?—A. Yes; it is these public improvements, such as accessibility and improvements to these highways that increase the valuation of these lands.

Q. Is it possible to get any acreage along the line of an elevated railway for less than \$3,000 an acre?—A. My remembrance is that there is more than 100 acres lying along Twenty-second Street in the tract near Harlem Avenue that is held at \$3,000 an acre.

Q. You have never given a formal appraisal of this Speedway tract?—A. No, sir. Property west of the Speedway property was offered in our office, some time during the winter months, by E. A. Cummings & Co., or one of their properties, at \$2,500 an acre. That is west.

Q. What is Mr. Trainor's official connection with the Government?—A. He is in the real estate section of the Purchase and Supply Department, as I understand—the head of the hospital division of the real estate section; a member of a commission of three acting on emergency hospitals, the members of the original commission being Gen. Noble, Ned Smith, of Smith, Garden & Schmidt, architects, and Mr. Trainor, and, then, when Gen. Noble was commanded to report to Gen. Pershing in France, Col. Northington took his place as head of the commission.

Q. Does that commission have to do with the ascertainment of values or does it consider locations?—A. Gen. Noble represented the hospital end, as to whether a building met the requirements for hospital use; Mr. Smith represented the Construction Division, having a practical man on the job as to whether this or that change should be made, or making these changes would meet the requirements of Gen. Noble. Then, when the commission had made that survey, then Mr. Trainor took up the question of acquiring the property, and the general measured it, as I understand it, by its cost per bed. If it had a capacity of 1,000 beds, and the other operating conditions, then they had a measurement which they drew as the maximum price per bed.

Q. When did you first learn of the consideration of the Speedway tract for hospital purposes?—A. I think it was away last winter, or the early part of the winter, I heard of the Speedway for hospital purposes.

Q. Did you ever have this property on your books for sale prior to its consideration for Government purposes?—A. Oh, yes; we have had the property for sale.

Q. Was it received formally?—A. We were retained as agents in connection with its sale. We had this property for sale here long before Mr. Trainor went into Government service.

Q. And were you aware of Mr. Hines's interest in the property?—A. It was after he had acquired the interest; yes. For several years they have been trying to work out the sale of this property.



Q. Do you know Mr. Shank's interest in it, too?—A. I have never come in contact with Mr. Hines in my life.

Q. You knew that the Shank Co. did have some interest there?—A. Oh, yes.

Q. Did you personally have any talk with the persons interested in regard to the property during the period it has been under consideration?—A. Yes; I have met Mr. Shank way early in the year.

Q. Do you remember an occasion when you and Mr. Trainor went down to Mr. Shank's office?—A. At the time they were making up a statement of the property I think that Mr. Shank, Mr. Trainor, myself, and I don't remember who else—

Q. Do you remember when that was?—A. It was long before Mr. Trainor went to Washington—that is, before he assumed his Government position.

Q. Was that the first time you had met Mr. Shank?—A. Oh, I have known Mr. Shank for a long time.

Q. Now, on this particular occasion that you went down to Mr. Shank's office, what was the purpose of the visit?—A. They had, as I remember it, prepared a statement in regard to this property, or were preparing, as to what the improvements in the property were.

Q. Who was preparing that statement?—A. Mr. Shank prepared a statement in regard to this property, and they had the number of feet of material, the number of improvements they had in the property, the number of feet of sewers, water pipe, etc., and that was discussed.

Q. And that was discussed, you say, at that time?—A. To go back a little, Mr. Trainor and Mr. Thorne, who is the head of the public welfare, or occupies some official position that has to do with the hospital end of the public welfare committee, and Mr. Trainor and Mr. Thorne were trying to work out a proposition under which a hospital would be built. They had in mind the Cub Baseball Park, and that the hospital would be used by the Government during the period of the war and the State maintain it afterwards, and they were endeavoring to have them give consideration to this site. Mr. Trainor had started out to make up the deficit, and Mr. Armour had subscribed for half a million dollars or more, with the provision that if the State would maintain this as a great public institution afterwards, and that was the first time I saw them, and I had this statement of facts setting forth how this could be used as a great reconstruction hospital, and at the time the baseball park was under consideration.

Q. Was it for the purpose of securing Mr. Hines to go in with Mr. Armour on this proposition?—A. Oh, no. This had had some little publicity here and the Government in the first place required a reconstruction hospital, and the State having certain funds, and this all came out of a discussion that took place from time to time between Mr. Thorne and Mr. Trainor, that there would be a deficit in carrying out what they had in mind, and that was why Mr. Trainor started out on this proposition. We couldn't deal with the West Side baseball park within \$100,000 of what Mr. Trainor thought the park could be purchased for.

Q. The original project under consideration was for the construction of a permanent hospital institution, for the cost to the Government for its temporary use, of approximately the cost of a temporary inflammable construction?—A. Yes; that is it exactly.

Q. Do you know with whom that thought arose? Was that Mr. Trainor's idea?—A. I think that Mr. Trainor originated that, and he started out to see if he could raise the deficit, and he got \$100,000 from these men, and then he struck Mr. Armour, and he didn't talk with him more than 15 minutes until he got that subscription of a half a million dollars, and Mr. Armour wasn't asking for anything except that the State always maintain it, and Mr. Armour went so far as to appoint the trustees who would represent him.

Q. Why did that project fail? Was it because he wanted his daughter's name attached to it?—A. No; he didn't want his daughter's name attached to it. I understand that the Attorney General ruled that that would be going into partnership with the Government and that would make it impossible from that standpoint. Then they carried it along on the line that what the Government would pay they would pay as rent during the period of the war.

Q. That project failed, didn't it?—A. Mr. Thorne, Mr. Trainor, and myself were all down in Washington at the same time. Everybody was for it and pleased with it until there was some adverse decision given by the Attorney General, as I remember it.

Q. That ended it?—A. Well, it has never been ended, I guess.

Q. Then consideration was transferred to the Speedway Park project?—A. That was long after Mr. Trainor left here.

Q. That was after he left here?—A. Yes; he was in Washington, where Mr. Trainor put his entire effort in it, as he and Mr. Thorne had worked it out, Mr. Thorne representing the Government as a member of the public welfare committee.

Q. Then, after Mr. Trainor went to Washington, the plan was suggested of using the Speedway property for the hospital?—A. The plan of using this hospital, I guess, stood by itself, but Armour's reconstruction plan interfered with Hines's plan, because they would not put two reconstruction hospitals of that magnitude in Chicago—that was Mr. Trainor's argument.

Q. Now, directing your attention to that interview that you had with Mr. Shank at the time you and Mr. Trainor called there, what was said?—A. It was discussing the facilities of this place for this reconstruction hospital.

Q. That was the first interview you had had with Mr. Shank about that?—A. Yes.

Q. Do you remember who you saw while you were there at Mr. Shank's place?—A. I don't think anybody but Mr. Shank.

Q. Do you remember Mr. Foster?—A. What is his business?

Q. I think he is secretary of the Shank Co.?—A. I don't remember him. He may have been there. Is he occupying a clerical position?

Q. I am not sure of that. I think he was in the cashier's cage and was brought out and met you.—A. He may have brought some figures out on these improvements.

Q. Do you remember how long you were there?—A. Some 5, 10, or 15 minutes.

Q. And the purpose was to obtain certain data in connection with the property?—A. I think it was Dr. Billings at this time claimed that the West Side Club Base Ball Park was not large enough. Its location was ideal, surrounded by all those medical institutions, but there was not sufficient ground, because they had in mind the agricultural end, and we had this up with Mr. Comisky, who is head of the West Side Park, in regard to trying to find some other location, and Comisky had put in over a million dollars improvements into the park and didn't want to give up the park for reconstruction hospital purposes, and we were running down everything.

Q. Did you understand that the Speedway Co. had put in some \$1,800,000 in their improvements out there?—A. I can not say what they had put in out there.

Q. What suggestion was made at that time about seeing Mr. Hines?—A. Hines's name was never mentioned.

Q. There was no suggestion made of speaking to Mr. Hines about the matter, by Mr. Trainor or yourself, or Mr. Shank?—A. Oh, no.

Q. You went there in regard to getting certain data in regard to the property?—A. Yes.

Q. Did you get it?—A. We got the information in regard to the acreage, the amount of improvements they had there, and general knowledge we had anyway, and were just checking up on it. We had in mind going out there with Mr. Armour and Mr. Dunham, and Mr. Dunham decided that was too far out, and that was all in connection with that original plan of Mr. Thorne's and Mr. Trainor's.

Q. The idea of Mr. Thorne and Mr. Trainor was a reconstruction hospital which was to be used by the Government as long as they wanted it, and then in some way to be secured as a free institution for the State?—A. Yes; for the State. My remembrance is the State had some quarter of a million dollars that was available.

Q. Your recollection is clear that no one at that interview suggested a conversation with Mr. Hines?—A. Absolutely.

Q. Was the name of Mr. Reynolds mentioned at all at that interview?—A. No, sir.

Q. When did you next see anyone in regard to the Speedway project?—A. I think it must have been a few days after that.

Q. Now, to refresh your recollection, wasn't it in your mind, or the desire of Mr. Trainor, as disclosed to you, to have the opportunity of presenting this plan to Mr. Hines, who was known to be the principal owner of this property?—A. Oh, no; there wasn't any question about it. Everybody knew the Speedway was for sale. It was a question of whether that site was available; that it would

meet all requirements of these people. Mr. Armour was putting up a lot of money, and having in mind a free institution, and it was also a question of whether that location would meet with Mr. Thorne's approval.

Q. Was it the original contemplation that Mr. Armour would be interested in that location?—A. There was only one thing in mind, of having a great, free institution, where the Government would have the use of it during the war at a minimum cost, and that this syndicate build it and the State maintain it.

Q. And this property was merely considered as a substitute for the ball park, and Mr. Armour was still under consideration in regard to the matter?—A. Yes, sir; absolutely.

Q. Did you know at the time that Mr. Newman was the attorney for Mr. Hines?—A. No; not at that time.

Q. Do you recall an interview that was held a short time after that first visit to Mr. Shank's office, at the office of Mr. Newman, who arranged that interview and what took place there?—A. I can not tell you who arranged that interview. I know that Mr. Trainor was then cleaning up his matters here so that he could be away permanently, and as Mr. Trainor has always been very active in our office, he asked me to meet him there and we would go on from there to other places in reference to personal matters at the office, and that was the way I came to meet him there.

Q. What do you recall took place at that meeting?—A. They had a statement of this property all written up and Mr. Trainor told Mr. Newman that he was now in the Government service and that he couldn't be interested in this project; that if the matter came up there it would be treated absolutely on its merits; and Mr. Newman said, "That is fine; I am glad to hear you talk that way."

Q. Was that practically the substance of what took place?—A. Yes.

Q. Who was there at that time, as you recall?—A. Mr. Trainor, Mr. Hodge, and Mr. Newman, as I remember it.

Q. Was Mr. Erskine there?—A. No.

Q. Mr. Shank?—A. No.

Q. Mr. Foster?—A. No.

Q. Was the project discussed at some length, the reconstruction hospital idea?—A. The hospital was discussed and its location and its availability—that is, the district.

Q. Well, what conclusion did you come to at that interview?—A. That was the conclusion of this interview. The interview was just as I gave in my first statement of it. Mr. Trainor said that it would positively rest on its merits; he was new in the Government service, and if it came to his department it would be taken up, but as regards to the use of the Speedway it depended in the first place as to whether the survey of the medical department, as to its meeting the requirements, and when it came to his department he would take it up on its actual merits.

Q. Was there any suggestion at that time of Mr. Hines stepping into the place of Mr. Armour and these other gentlemen and making it possible for the State to procure a hospital along the lines suggested?—A. No; I have never heard of it to this day.

Q. The proposition, as finally submitted, had left Mr. Armour and the others out of consideration, had it not?—A. I understand the proposition that they finally made was to build this for so much a bed; it was based on so much a bed, and it didn't take into consideration the real estate—it was the real estate, the bed, and all.

Q. And did you understand that they contemplated a considerable sacrifice in the same manner as the other proposition did, the one that Mr. Armour was interested in?—A. No; I never knew in regard to any such suggestion from Mr. Hines. I heard of it afterwards. The first I knew of anything in regard to that was when I picked up one day the Bulletin, sent out by the Economist—that is our official paper—stating that the contract had been awarded to the Speedway, and it went into detail. They would build all these beds, 2,500 beds, at \$1,450 a bed, including 320 acres. That is the first knowledge I had.

Q. So you were led to regard it as a purely business proposition, in so far as everything in connection with the project?—A. Absolutely. They had a losing game out there with the Speedway, and they could build it less than any one else could.

Q. You haven't heard anything else about the project to this day, except as a business proposition?—A. It was purely a business proposition, as I understood it.

Q. Now, did you and Mr. Trainor see Mr. Newman shortly after that interview?—A. No.

Q. Have you ever seen him since in regard to it?—A. No.

Q. Your recollection is clear that you had but one interview in Mr. Newman's office?—A. That is all.

Q. Did you ever go to Mr. Newman's office at any time with Mr. Trainor alone?—A. No.

Q. Did you ever see Mr. Newman personally?—A. No. I think that is the only time in my entire life that I ever had a conversation where he was, as I remember it.

Q. Did you ever mention to Mr. Newman the fact that you had had this Speedway property upon your books as real estate agents long prior to the entry of Mr. Trainor into the Government service; that you devoted a good deal of time and consideration to the disposition of the property, and if the Government took it over under the plan proposed, that in fairness you ought to be considered for a commission in connection with the transaction?—A. No; he was told just those words, that Mr. Trainor was then in Government service and he could not be interested in this property only on its merits.

Q. But that was at this first interview?—A. Yes.

Q. When these other gentlemen were present?—A. Yes, sir.

Q. Now, you are sure that that wasn't discussed at any other time with them?—A. Yes. That was the only time I ever had a conversation with him, or was present where a conversation was held with him.

Q. Did Mr. Trainor, in your presence, make a statement to Mr. Newman substantially as I repeated it to you?—A. No; I think I covered that in my statement of it.

Q. State what was said in regard to it.—A. Mr. Trainor said he was in the Government service.

Q. What did he say in regard to his firm's connection with this property?—

A. There may have been some statement made there in regard to endeavor in the past on the property, but Mr. Trainor made that statement, and his concluding remarks were as I have stated, and Mr. Newman says, "That is fine; I am glad to see you talk that way."

Q. Your recollection, then, is that notwithstanding your previous connection with this property you were through with it?—A. Yes; absolutely.

Q. Now, do you concur in that opinion so far as your own efforts were concerned? Do you feel that because of Mr. Trainor's Government connection you could have nothing further to do in the matter?—A. I know the Government's policy very well. It has been a handicap to our office because our office could never participate with anything in connection with the sanitary district.

Q. Now, don't you recall a subsequent interview, either on the same day or on a later day, with Mr. Newman when you were there alone and the matter was discussed?—A. Absolutely not.

Q. Is your recollection clear that no such thing took place?—A. Absolutely; just as clear as I am here.

Q. Now, at any time in your discussion, was the name of Mr. Reynolds mentioned at all in connection with the matter, either by you or Mr. Trainor?—A. No; not as I remember it.

Q. Can you think of any occasion at all for the mention of Mr. Reynolds's name in conversation with Mr. Newman at any time?—A. When this commission were here they were very much discouraged by their inability to get beds, and I think every building in Chicago that had a possibility of 500 beds or more had been canvassed by Gen. Noble, Mr. Smith, and Mr. Noble, and they rode in my machine, and I was familiar with their discouragements; and I thought, if they couldn't get hospitals in the second largest city in the United States, what are they going to do when they get away from here? And that was the reason they held on much longer; and one day when we were over on La Salle Street we dropped into Wallace Heckman's office to discuss with him, as we discussed with several others, our inability to accomplish anything on the Field Museum, as the trustees in the Field Museum had turned the matter down to begin with; and, having in mind that men like Wallace Heckman might be influential in aiding the commission to accomplish what it was endeavoring to accomplish, the Speedway was discussed. Gen. Noble favored the Speedway because it gave a fire-proof building instead of these flimsy buildings, as he called them; and it looked as if they would have to construct hospitals to meet this emergency, because they were unable to get buildings of more than 500 units. Up to that time they had been here two or three weeks,

and had been only able to get one building of about 600 beds in it; and in discussing the Field Museum and the Speedway—and at that time the Speedway had been stopped—Mr. Heckman suggested that if this whole subject matter could be taken up by a committee, suggesting the name of Cyrus McCormick, because it was Mr. Funk who had been in Mr. McCormick's employ, against whom Mr. Hines had made charges, and men like George Reynolds, who would investigate the proposition, and if they favored it there would be no question about it, as Hines's name would probably be eliminated by a survey of that type, because everyone knew the position of Cyrus McCormick and George Reynolds, and that was the first that Reynolds's name was brought in; and I think a few days after that Louis Pitcher, of Fred S. James & Co., was in my office, and spoke about the Speedway, and I told Mr. Pitcher about Mr. Heckman's suggestion that a committee be appointed, composed of men like Cyrus McCormick and George Reynolds, and Mr. Pitcher thought that the suggestion was a very good one, and went to see Mr. Newman to interest him in having such a committee appointed; and I understood afterwards that Newman had written such a letter—at least, Mr. Reynolds told me that his name had been brought in as a member of such a committee, with Wallace Heckman and Cyrus McCormick—and I think my statement to Louis Pitcher was responsible for that. That was done with the idea in mind that if Mr. Hines's name was connected with the matter it would tend to prejudice it, and that if a committee of high-class citizens should give independent consideration to the matter and pass upon the project, that all criticism by reason of that prejudice, which was recognized to exist against Mr. Hines, would be removed, so that the matter could be solely considered upon its merits. The Government wanted hospitals, and all it wanted to know was that it was getting off at the right price. There was a general feeling that the matter had been held up because of the existing prejudice against Mr. Hines. I think that would be the conclusion of anyone here.

Q. And it is well known that such a prejudice does exist in the minds of prominent and influential people here in Chicago, is it not?—A. Yes.

Q. To be frank in regard to the matter, if a project had attached to it the name of Mr. Hines it undoubtedly raised suspicion in regard to the plan?—A. Yes.

Q. It would seem quite inconceivable that Mr. Hines, consistent with his general reputation, would have been interested in making a contribution to the Government, in connection with this project, in the sum of \$750,000?—A. The whole thing in their minds was this, that they recognized that there is a prejudice in the minds of the people here against Mr. Hines, and that no matter how the proposition was—how much it was in the interest of the public—unless they had a survey made like I have stated they could never satisfy the public mind but what there was something wrong with it.

Q. And the gentlemen, then, with whom the matter was then discussed appeared to be of the opinion that it was due to that prejudice that the project had been held up?—A. Yes.

Q. Do you have any personal knowledge of the reasons why the matter was held up and who was responsible for it?—A. I don't know; I have no knowledge; but at this interview, while we were there, I had the knowledge of the Government's desire to get a hospital, and we were not going to let anybody stand in the way of the Government getting hospitals to meet this emergency.

Q. Did you ever attempt in any manner to communicate this idea to Mr. Hines?—A. No; absolutely. I don't know as I ever talked to Mr. Hines in my life.

Q. Or to Mr. Newman?—A. No; absolutely.

Q. You think that any reference that was made thereafter to the matter of seeing Mr. Reynolds or the other gentlemen that you have referred to, must have grown out of your talk with Mr. Pitcher?—A. I understand that the letter itself reflects that. I am personally responsible for Mr. Reynold's name being brought into it. This Louis Pitcher is a live wire here and a man who is trying to work for Chicago's best interests, and I had told him about the discouragements we had met with.

Q. Is it your understanding, then, that Mr. Pitcher did undertake on his own responsibility to have the matter considered along the lines proposed?—A. That is my impression.

Q. But the purpose had in mind by bringing in these gentlemen was to get this independent and disinterested survey of the proposition and just what it met?—A. Yes, sir.

Q. And without any view or thought of personal consideration that was to be paid to anyone?—A. Absolutely.

Q. And you had no thought or desire of obtaining any commission on the transaction?—A. None whatever.

Q. Never made that proposal to anyone?—A. No, sir.

Q. The proposal was never made by Mr. Trainor in your presence?—A. No, sir.

Q. And, as a matter of fact, you heard Mr. Trainor himself say to Mr. Newman that notwithstanding your previous connection with this property that the matter would have to be considered strictly on its merits?—A. Yes, sir.

Q. And did he say that you would have no interest in the matter?—A. Yes; he said they would have to get some one else to represent them.

Q. At that time did it seem to be the desire of Mr. Newman to still retain your interest in the matter?—A. No.

Q. So that the statement that they would have to get some one else was merely voluntary?—A. Yes.

#### WALTER MILLS EXHIBIT 8.

RECORD OF THE EXAMINATION OF MR. WALTER MILLS, NOVEMBER 8, 1918.

Walter Mills, being first duly sworn, was interrogated as follows:

Q. Will you please make a statement identifying yourself as you would if you were going to testify as an expert?—A. I have been in the real estate business in Chicago for 29 years next January, dealing exclusively in factory, dock, warehouse, and railroad property. I am a member of the Chicago Real Estate Board; have been vice president of the organization in 1904; was chairman of the valuation committee in 1906 and a member in 1907; and am at present a member of the valuation committee in 1918. I have handled, as a broker, factory, dock, warehouse, and railroad property in Chicago, amounting to many millions of dollars in value, and have made appraisals of property running into a great many millions of dollars in value.

Q. Are you a familiar with the location of the property known as Speedway Park?—A. I am.

Q. And have you had dealings in that locality and are you familiar with its valuations?—A. I have sold property within a mile and a half and 2 miles of the property, and in the spring of 1917, and again in the spring of 1918, prepared and testified in two condemnation suits for the Indiana Harbor Belt Railway on property between Twelfth and Harrison Streets, 1 mile west of the Speedway Park. In preparing my testimony on these four trials had occasion to make a thorough investigation of values established by sales of property within a radius of 2 miles for the preceding five years.

Q. What is the function or duty of the valuation committee of your real estate board?—A. The valuation committee is elected from the membership of the board for the purpose of making appraisals of property for individuals, firms, and corporations who desire to have authentic information as to the value.

Q. This work is usually available to anyone who may have need of such appraisals at a consideration to the board?—A. It is.

Q. Were you ever requested individually to place a valuation upon the property known as Speedway Park?—A. I was.

Q. Will you please to state when and by whom and just what was done by you in connection with that request?—A. I had a telegram from Mr. Samuel H. Hodge from Washington, Department of Purchase, War Department, in August, requesting me to appraise the Speedway Park property, disregarding all improvements, for the War Department. I found that Mr. John F. Wallace, chairman of the valuation committee of the Chicago Real Estate Board, and Mr. Wallace Clark, a member of the real estate firm of Clark & Trainor, also had similar telegrams, and we three cooperated to make a valuation of this land, the other two gentlemen being guided largely by my opinions because of the fact that I had so recently made such a thorough investigation of values of property in this vicinity.

Q. Did you send a joint telegram in answer to Mr. Hodge?—A. We did.

Q. Was that counted as the action of the valuation committee of the real estate board?—A. No; it was our individual opinions.

Q. And what was the conclusion agreed upon by the three gentlemen—Mr. Wallace, Mr. Clark, and yourself?—A. We placed a value upon the 313 acres of \$600 an acre, disregarding the improvements, that is the west half of the section, excluding the 7 acres embraced in the Illinois Central right of way.

Q. Will you state the considerations that led to that conclusion?—A. That conclusion was reached upon showing sales of similar property in the vicinity, a record of which I had at that time, as a result of the inquiries I had made on the prices paid for this property in 1914. The purchasing of this property necessitated the combining of 13 different ownerships, only two deeds showing a valid consideration, the rest reciting a nominal consideration. I found upon inquiring of Mr. Alkman, of Ogden, Sheldon & Co., who were the agents in control of the south half of the tract, that they secured \$350 per acre. I found upon inquiry of Mr. E. A. Cummings, who sold twenty-three and a fraction acres, fronting on Twelfth Street, at the northeast corner of the tract, that he obtained \$750 per acre. Mr. Cummings also informed me that he knew of his own personal knowledge that Beloit Collins had received \$600 an acre for 11½ acres adjoining his tract on the west, also fronting on Twelfth Street. I was unable to learn the exact consideration paid for the other 10 tracts. An examination of the records in the recorder's office disclosed two bond issue mortgages on the property to the Fort Dearborn Trust and Savings Bank, one for \$300,000 and one for a million dollars, and it also disclosed that in eight or nine purchases, purchase money mortgages were past due and not released of record. Taking into consideration the dimensions and area of the tract, the fact that Twelfth Street had been paved with concrete since the purchase of the tract, and taking into consideration that the closest station on the Aurora & Elgin Interurban line was about seven-eighths of a mile north of the property, and the closest street car line was about seven-eighths of a mile east of the property, and that, while the Illinois Central Railroad crossed the south end of the property, this division of the Illinois Central, known as the Madison Division, operates no suburban service; so taking into consideration the lack of transportation facilities to the property, we decided that \$600 an acre was a fair cash market value of the land, disregarding the improvements, and I might say in that connection that my nearest sale was of 160 acres having a frontage on the north side of Twenty-second Street from Harlem Avenue to Ridgeland Avenue, and bisected by Oak Park Avenue, and paved road from Oak Park down to Berlen. This property is reached by two street car lines that touch the property, and the east end of this tract lies a quarter of a mile west of the west terminus of the Douglas Park elevated. I sold this 160 acres in the winter of 1915 for the Baltimore and Ohio Chicago Terminal Railroad Co. to a local syndicate for \$1,350 an acre cash. If this property, consisting of 160 acres in area, with frontage on two street car lines, and so close to the terminus of the elevated roads is worth \$1,350 an acre, the 323 acres in the Speedway Park tract, so far away as it is from any urban transportation lines, can not be worth over \$600 per acre.

Q. And you so informed Mr. Hodge?—A. I sent Mr. Hodge copies of plats that I had got up in these two condemnation cases upon which I had included the sales of various properties in that locality in the preceding five years, and also informed him as to the sales of similar property in the vicinity that I had made.

Q. Have you got a copy of that plat that were sent to Mr. Hodge that time?—A. I have the original. I spent an hour and a half looking for it.

Q. You were subsequently asked formally as a member of the valuation committee to consider and report on the value of the same tract?—A. I was. The valuation committee had an application from Foster and Shank for an appraisal on this property, taking into consideration the sewer and water systems and paved roadways in the property.

Q. And just what was done? Who acted on the committee? How was the matter considered? What was it influenced by? What had already taken place and what was the conclusion?—A. That valuation was made by the west side subcommittee of the valuation committee, together with the advisory committee of which I am a member; and taking into consideration the sewer and water systems and the paved driveways, we decided that on that basis the property was valued at \$1,100 an acre. This land is quite low and to give it adequate drainage the Speedway Park people had to put in an elaborate system of sewers, and to have adequate fire protection for the large race track built of pine lumber, and for the grand stand they had to have an elaborate water system for fire protection, including a large steel tank on a steel tower, underground pipes, water plugs, etc., and the soil in this territory being clay, in order to drive through the property with automobiles and motor trucks in wet weather it would have been necessary for the Speedway Park people to spend large sums in grading and paving roadways and driveways through the prop-

erty. I will add that the sewer and water systems there were what made that property at all accessible, for the purpose of a hospital it is necessary to put those things in, but it seems to me the last place on earth for a hospital on that low ground.

Q. What members of the committee went out for a personal view of the property?—A. My impression is all the other members of the committee went, but I did not go for I had seen the property so frequently that I didn't think it was necessary to go out again.

Q. Who constituted the west side committee?—A. I don't know as I remember who did. The west side committee is composed of George R. Hemmingway, chairman, Ernest H. Lyons, and I. W. Perce, the advisory committee is composed of John F. Wallace, chairman, Charles O. Goss, and myself. I have taken Sam Hodges' place on that committee. Sam Hodges was on that committee, but resigned to take a position down in Washington, and upon his resignation I took his place.

Q. Of course this committee was informed of the action that had been previously taken by yourself, Mr. Wallace, and Mr. Clark in regard to the personal appraisement?—A. I certainly took particular pains to inform them, and I hesitated about signing the report, but finally decided, upon the different basis of the two values that I could do so.

Q. I understood you to say, Mr. Mills, that because of your more intimate knowledge of the territory, the gentlemen who first passed upon it, Mr. Wallace and Mr. Clark, were largely guided by your judgment?—A. Yes; very largely.

Q. And the valuation committee that passed upon it subsequently were largely guided by your estimate, were they not?—A. Evidently. We all decided that \$500 an acre was reasonable added value by reason of the sewer and water systems and paved roadways. They couldn't be duplicated for that to-day.

Q. Tracing back the influence of the first figures, it would appear that the final judgment was passed upon your knowledge and information in regard to the value?—A. Very largely.

Q. You suggested that this property was low. Just what do you mean by that?—A. That is clay soil out there. The water doesn't percolate through very rapidly, and it is only a little way west of the Desplanes River, but the whole section for about 3 miles west of the Desplanes River is very flat and level and very little above the water level of the river; about 3 miles west it begins to strike the hill.

Q. What accurate knowledge, if any, have you in regard to elevation above the city datum?—A. I have no accurate information on that subject. All I know is when you go through the territory the land is very low. Some of this land included in the Indiana Harbor Belt Railway condemnation suit was so low and wet that it couldn't even be cultivated.

Q. So one of the properties you passed upon was almost too low to admit of cultivation?—A. It was too low to admit of cultivation.

Q. Now, you say some of this property is only a very little above the Desplanes River. Now, just what do you mean by that—inches or feet?—A. I should judge just offhand, without running any levels, that there is not a foot of this land that is more than 6 or 7 feet above the water in the Desplanes River. I think in clay soil it is necessary to have open ditches and sewers for the water to run off.

Q. As a matter of fact, the Desplanes River has a varying elevation in the spring and winter, hasn't it?—A. Yes.

Q. What is that 6 feet estimate based on—high water or low water?—A. Based on normal conditions.

Q. So in that period of the year, when the Desplanes River rises about 6 feet, your judgment was and is that it came up approximately to the mean level of this Speedway tract?—A. I should judge that in the spring all the sewers would be of no account, because all the water in the river would be above the sewer levels; a sewer won't do any good unless there is a flow.

Q. And was your judgment based upon that general knowledge of the situation?—A. It was.

Q. Mr. Mills, would an added mean level of a foot have increased your estimate of the value of the property in any way; that is, above what you had considered its elevation to be as you have stated?—A. Well, the whole country was low and flat and my valuation was based largely upon the values established by bona fide sales of similar property in the vicinity, and all those sales were made with parties thereto knowing the condition in the neighborhood, and the property is worth what it will bring.



Q. If it had an elevation of 10 feet above the mean level of the river, it would have made a difference in value wouldn't it?—A. Yes; and it would probably have been incorporated as a cemetery with that 10-foot elevation.

Q. What would it have been worth under those conditions? How much would that have added to this estimate of value per acre?—A. Well, I hadn't considered it in that phase; it would have added something, of course, but when you go to the nearest high grounds going west on Twelfth Street, it is practically all in cemeteries, but again you are lacking transportation, so your values are low.

Q. If it were as much as 19 feet above the level of that river that would have added considerable value, wouldn't it?—A. Yes; my valuation was based largely upon the sales of similar property in that locality.

Q. Do you know a Mr. Hornsby?—A. No.

Q. Did you ever meet him?—A. No; I never met him.

Q. Was it your intention, in ascertaining the value of those transactions involved in the Speedway tract and finally basing the estimate on them to put an average value per acre upon the plat?—Was that what the \$600 represented?—A. The \$600, in my judgment, represented the value of the plat obtained under one ownership. Naturally, the property having been purchased by the Speedway Park people at as recent a date as 1914, I was desirous of knowing what it had cost them, but what they paid them, it wouldn't necessarily have influenced my valuation, because they might have bought it way under the market, or they might have been held up and paid way over the market.

Q. I had procured, Mr. Mills, what purported to be the statement of the terms of purchase that entered into this transaction, and supported by the affidavits of the parties, and I do not find two of the parties you mentioned who received \$350 an acre, do you think you could account for that? Can I reach those parties to check up my record? I was wondering if that could have represented some previous transaction?—A. Temple and Kale were the dummies who took title for the Speedway Park people.

Q. Is that shown by any records that you have?—A. Yes.

Q. Did you at the time you gathered your information take into consideration the street-car transportation that reached the property, and the comparison of the whole situation with these other plats, and the changes that had taken place in that neighborhood up to the time of your valuation of that tract?—A. I did. I took into consideration the lack of transportation.

Q. Isn't it a fact that there is a street-car line that runs near to the entrance of the Speedway Park?—A. The nearest line is about seven-eighths of a mile from the entrance.

Q. Would this property average \$3,000 an acre if the elevated run out there?—

A. Not now.

Q. In normal times would it, do you think?—A. I don't believe so, in normal times.

Q. Mr. Mills, did you ever go out to the Speedway property and over it to aid you in the estimate of the value?—A. No. I had been all over that territory so frequently in the spring of 1917 and the spring of 1918 that I didn't think it necessary to make a trip out there to see it.

Q. The last time you looked at the property was in the spring of 1918?—A. Yes.

Q. Did you have something to do with the added valuation of \$500 an acre by reason of the drainage that had been put in?—A. I did.

Q. Do you know the number of miles of pipe that had been put in?—A. I don't know exactly what it is. It was considered from the point of view of drained land. We had particular reference to the amount of pipe that was necessary to accomplish that result. We had a statement as to the number of feet of sewer and water pipe that had been put in and the cost of the two systems. I made no memorandum of the details of it and I don't recall the particulars of it now.

Q. It has been stated in the course of my investigation, Mr. Mills, that this particular plat—the Speedway—was practically the highest—that is, the most elevated land in Cook County. What do you think of that statement? Is that correct?—A. I should say not.

Q. Can you mention off-hand a more elevated piece of property?—A. Up in Glencoe, where I live, it is considerable higher above sea level than this property, and go out to Western Avenue and Beverly Hills that elevation there is considerable higher above sea level than this is.

Q. Can you mention the figures?—A. I don't know the figures.

Q. Now, Mr. Mills, if it should appear that the mean elevation of this Speedway tract was 40 feet above what you called your city datum, and 19 feet above the Desplaines River, would those considerations make a substantial modification of your estimate of values?—A. No; my estimate of values is based upon the prices of similar property in the neighborhood has been bringing. The question of elevation there and the question of drainage depends entirely upon the outlet that you get into the Desplaines River, which is the nearest stream to drain into. What that is above the Chicago city datum, I don't know.

Q. If it appeared that the bona fide cost of this property in picking it up in small parcels to make this 320-acre tract had averaged \$862 an acre, three or four years ago, before the boulevards and roads had been extended there, before there had been the same extent of development in the neighboring localities, would you consider that that would necessitate the substantial modification of the opinion you had expressed of its value?—A. No; that would lead me to believe that whoever had done the buying was a very poor buyer.

Q. To enlighten me further, is the property worth substantially more as a tract of 320 acres than as individual plots, assuming that it was originally in the hands of some 8 or 10 or 12 separate owners?—A. Yes. With a large tract like that and a solid ownership, you have got to give an allowance for what real estate men call plottage. A tract of that size necessitates the combining of a considerable number of smaller holdings, which means that you have got to pay each man his price. One piece may have no improvements on it, and the adjoining piece may have improvements on it that add nothing to the value of the land for what it is purchased for, but they have got to be paid off. It was undoubtedly an advantage to have this plottage and that was taken into consideration in placing the value of \$600 an acre. In individual pieces we wouldn't have put it more than \$400 to \$500 per acre.

Q. You gentlemen signed the final formal appraisement of the valuation committee?—A. My recollection is that the three members of the west side committee and the three members of the advisory committee, all six members, signed it.

Q. Did Mr. Trainer have anything to do with the valuation in either instance?—A. He did not.

Q. Was he consulted at all in regard to it?—A. Not by me. He may have been by some of the rest. I think not. I think he was in Washington at the time. I think he telegraphed to his partner, Mr. Clark.

Q. Could you off-hand express an opinion as to what that would be worth with the elevated extended out there?—A. I think the elevated road would add a thousand dollars an acre to my valuation.

Q. Did you take into consideration the fact that the Illinois Central had a right of way through the property?—A. Yes.

Q. Was that an advantage or disadvantage?—A. An advantage, because the Illinois Central operates a very extensive suburban service on the main line, but no suburban service on its branch, but they have the organization, so that when a race is on, the large volume of travel to and from this Speedway, they are able to transport the people, but they have no passenger service on this road normally; that is, they run only through trains.

SEPTEMBER 3, 1918.

Mr. SAM H. HODGE.

*Division Purchase and Supplies, Etc.*

DEAR SIR: I have cooperated and advised with F. P. D. Snelling, John F. Wallace, and Wallace Clark in making valuation of the west half of section 23-39-12 (Ex. R. R.) commonly known as the Speedway Park property, and sent you telegram this afternoon stating that our valuation was \$600 per acre. I am mailing you under separate cover plats of this section and three other sections in the vicinity, upon which I have shown in green color the names of the owners of various properties; in red color, the details of the sales made during the last six or seven years; and in black, any recent quotations I have had on land in the vicinity.

The Speedway Park property seems to be hopelessly mortgaged, purchase money mortgages past due and not yet released of record, and two bond issues, one of \$300,000 and one of \$1,000,000.

I have prepared and testified within the last year and a half in four condemnation trials for the Indiana Harbor Belt Railroad, involving property from Twelfth Street north, located  $1\frac{1}{2}$  miles west of Speedway Park, and this spring secured verdicts of approximately \$600 per acre, including damages to the re-

mainder, the value of the part taken being fixed by the juries at approximately \$400 per acre.

The Speedway Park Association does not have the right of condemnation, so witness the range of prices paid on their purchases that I was able to verify—from \$350 per acre to Ogden, Sheldon & Co.—thought they were securing a good full value for the southwest quarter when they secured \$350 per acre. Cummings realized that they had to have his 23 acres, and made them pay for it.

The Madison division of the Illinois Central operates no suburban service; residence suburbs are built up along the Chicago, Burlington & Quincy to the south, and along the Aurora & Elgin Interurban, and along the Chicago & North Western to the north, leaving a wide stretch of country in between where farm land and truck garden values prevail because of a lack of transportation.

I have put in all of my time on this matter since receipt of telegram and have checked sales and conveyances right up to date, and have disregarded all improvements on the land.

Trusting that this valuation will be satisfactory,

I am, very truly, yours,

(Signed)

WALTER MILLS.

[Telegram.]

SEPTEMBER 3, 1918.

SAMUEL H. HODGE,

Room 518, War Department Annex, Washington, D. C.:

Plans showing recent sales, ownerships, and recent quotations and analysis of values in the mail. Our judgment on value of Speedway Park, 313 acres, is \$600 per acre.

WALLACE & MILLS.

SEPTEMBER 12, 1918.

Mr. SAM HODGE,

Real Estate Section, Division Purchase and Supplies,

Room 520 War Annex Building, Washington, D. C.

DEAR SIR: Have just seen your letter to John Wallace in regard to the Speedway valuation. Upon receipt of your telegram I got busy and prepared my valuation, of land only, disregarding all improvements, and could have sent same to you Friday evening, August 30, but concluded you had intended me to act with the committee composed of Snelling, Baird, and Wettin, so called on Snelling and President Bass. Snelling urged me to send my report to you that evening, but President Bass urged that I wait and act out with Snelling and Wettin, stating that Baird was in Washington; that you were probably aware of that fact, as accounting for your telegram to me. I finally acted with Wallace and Clark—the valuation was mine—they concurring in my finding, as I had devoted so much time to it.

If you will be careful in your next telegram to make it plain that you want my individual valuation, you can be assured of quick action.

The valuation committee, upon which I have been appointed in your place, appraised the Speedway property this week at \$1,000 per acre, taking into consideration the water and sewer systems and the paved driveways. This appraisal was made for Frank Foster, of Foster & Shank. The committee concurred in my figure of \$600 per acre for the naked land, disregarding all improvements. I am informed, for I was unable to attend the meeting. I am glad to know that concurred in my judgment as to the naked land.

Very truly,

WALTER MILLS.

CHICAGO, November 8, 1918.

Maj. L. W. STOTESBURY,

Blackstone Hotel, Chicago.

DEAR SIR: The following is a list of the conveyances of the land embraced in the Speedway Park property from the original owners to the dummies taking title for the Speedway Park Association:

No. 5953894. E. A. Cummings to Edward H. Thomas, W. D., dated August 1, 1914, recorded September 20, 1916, in book 14067, page 482. Consideration,

\$40,000. Conveys lots 3 and 4 in the subdivision of lot 1 in executor's sub. of NW.  $\frac{1}{4}$  (ex. sub. 41 $\frac{1}{2}$  acres), section 23-39-12. Conveys 23.18 acres at NE. corner of tract. Mr. Cummings informed me price paid was \$1,750 per acre.

No. 5517200. Board of trustees, Beloit College, to John W. Kail, W. D., dated October 3, 1914, recorded October 15, 1914. Consideration in deed, \$10. Conveys lot 2 in sub. of lot 1 of executor's sub. NW.  $\frac{1}{4}$ , section 23-39-12. Recorded in book 13054, page 325. Mr. E. A. Cummings informed me that he knew that Beloit College was paid \$600 per acre for this 11.59 acres.

No. 5525178. Mary E. Bassett to Speedway Park Association, W. D., dated October 14, 1914, recorded November 5, 1914, in book 13072, page 549. Consideration in deed, \$1. Conveys lot 1 in the sub. of lot 1 of executor's sub., section 23-39-12.

No. 476288. Lewis W. Parker to Speedway Park Association, W. D., dated August 7, 1914, recorded August 15, 1914, in book 13118, page 28. Consideration in deed, \$1. Conveys W.  $\frac{1}{4}$  lot 2, executor's sub. in section 23-39-12.

No. 5533870. Herman Mueller to David F. Reid, W. D., dated October 17, 1914, recorded November 19, 1914, in book 13118, page 390. Consideration in deed, \$10. Conveys E.  $\frac{1}{4}$  lot 2 in executor's sub. in section 23-39-12.

No. 5561627. Christina B. Harris to Edwin G. Temple, W. D., dated August 1, 1914, recorded January 14, 1915, in book 13130, page 577. Consideration in deed \$10. Conveys lot 3 in executor's subdivision in section 23-39-12.

No. 5561628. Edward Howe to Edwin G. Temple, W. D., dated August 1, 1914, recorded January 14, 1915, in book 13320, page 30. Consideration in deed \$10. Conveys lot 4 in executor's subdivision in section 23-39-12.

No. 5561629. Chas. D. Blaney to Edwin G. Temple, W. D., dated August 1, 1914, recorded January 14, 1915, in book 13140, page 470. Consideration in deed \$10. Conveys lot 5 in executor's subdivision in section 23-39-12.

No. 5512201. Frederick L. Riggs to John W. Kail, W. D., dated September 23, 1914, recorded October 15, 1914, in book 13172, page 36. Consideration in deed \$1. Conveys undivided one-third interest in S. 41 $\frac{1}{2}$  acres of NW.  $\frac{1}{4}$ , section 23-39-12.

No. 5572202. Ellen M. Clarkson to John W. Kail, W. D., dated May 15, 1914, recorded October 15, 1914, in book 13172, page 37. Consideration in deed \$1. Conveys an undivided one-third interest in the S. 41 $\frac{1}{2}$  acres NW.  $\frac{1}{4}$ , section 23-39-12.

No. 5562828. John A. Moody to John W. Kail, W. D., dated August 25, 1914, recorded January 18, 1915, in book 13157, page 417. Consideration in deed \$1. Conveys an undivided one-third interest in the S. 41 $\frac{1}{2}$  acres of NW.  $\frac{1}{4}$ , section 23-39-12.

No. 5965307. Emily O. Butler to Edward H. Thomas, W. D., dated September 18, 1916, recorded October 5, 1916, in book 14175, page 334. Consideration in deed \$8,000. Conveys SW.  $\frac{1}{4}$  (Ex. R. R.) of section 23-39-12. Ogden, Sheldon & Co., agents for this 153 acres. Was informed by Mr. Alkman of that firm that price was \$350 per acre.

The following mortgages appraisals of record and not released:

No. 5535913. David F. Reid to Ette M. Kasch, T. D., dated October 17, 1914, recorded November 23, 1914, in book 13072, page 618. Conveys E.  $\frac{1}{4}$ , lot 2, executor's subdivision, to secure \$2,550—five notes—four of \$500 each and one of \$550, at 6 per cent, due November 1, 1914, December 1, 1914, January 1, 1915 February 1, 1915, and March 1, 1915.

No. 5561630. Edwin G. Temple to Walter Butler T. D., dated August 1, 1914, recorded January 14, 1915, in book 12930, page 613, conveys lot 3, executor's subdivision, to secure \$5,726.67 in three notes of \$1,908.29 each, due in one, two, and three years, at 6 per cent.

No. 5561631. Edwin G. Temple to Walter Butler, T. D., dated August 1, 1914, recorded January 14, 1915, in book 13315, page 37. Conveys lot 4, executor's subdivision, to secure \$5,726.67.

No. 5561632. Wm. G. Temple to Walter Butler, T. D., dated August 1, 1914, recorded January 14, 1915, in book 13242, page 80. Conveys lot 5, executor's subdivision, to secure \$5,726.67 in three notes of \$1,908.89, due in one, two, and three years, at 6 per cent.

No. 5504948. John W. Kail to Chas. S. Burton, T. D., dated September 23, 1914, recorded October 2, 1914, conveys undivided one-third of S. 41 $\frac{1}{2}$  acres, NW.  $\frac{1}{4}$  section 23-39-12 to secure \$4,000 in four notes of \$1,000 each due in each month at 6 per cent.

No. 5506507. John W. Kail to Chicago Title & Trust Co., T. D., dated May 15, 1914, recorded October 5, 1914, in book 12989, page 458. Conveys undivided

one-third of S. 41½ acres, NW. ¼ section 23-89-12, to secure \$3,762.50 in five notes of \$1,352.50 each, due in one, two and three, four and five years, at 6 per cent.

No. 5562829. John W. Kail to Chicago Title & Trust Co., T. D., dated August 25, 1914, recorded January 18, 1915, conveys undivided one-third of S. 41½ acres of NW. ¼ section 23-89-12, to secure \$3,500—\$1,500 due in one year, \$1,500 in two years, and 1,000 in three years, at 6 per cent.

No. 5616787. Speedway Park Association to Fort Dearborn Trust & Savings Bank, T. D., dated April 14, 1915, recorded April 21, 1915, in book 13344, page 285, conveys S. 41½ acres NW. ¼ and SW. ¼, section 23-89-12, to secure \$300,000 in notes of \$10,000 each, at 6 per cent, due on or before April 14, 1918.

No. 5674278. Speedway Park Association to Fort Dearborn Trust & Savings Bank, T. D., dated July 1, 1915, recorded July 19, 1915, conveys W. ¼, section 23-89-12 to secure \$1,000,000 due on or before five years, at 6 per cent.

Notes 1 to 11, \$500 each.

Notes 11 to 20, \$1,000 each.

Notes 21 to 28, \$2,000 each.

Note 29, \$5,000.

Notes 30 to 70, \$10,000 each.

Notes 71 to 80, \$25,000 each.

Notes 81 to 86, \$50,000 each.

I have found my tracings from which my last plats were printed and have sent them out for a set of blue-line prints for you, which I will mail you when received. On my prints that I can not find was tabulated a fund of information that I spent weeks in securing, relative to the sale prices of similar properties in the district, and also quotations I secured on similar properties. My valuation was based not only on the values shown by sales, but upon quotations obtained upon similar properties.

Very truly,

WALTER MILLS.

#### HUGH GARDEN EXHIBIT 9.

##### SPEEDWAY PARK PROJECT.

[Record of examination of Mr. Hugh Garden.]

Mr. Hugh Garden having been first duly sworn, was interrogated as follows:

Q. Will you state your business and residence?—A. Architect, member of the firm of Schmidt, Garden & Martin; residence, Chicago.

Q. Did your firm prepare the plans for a hospital on the so-called Speedway Park?—A. Yes, sir.

Q. Were you present at the time the plans and specifications were finally initialed for identification, and the draft of contract signed by Mr. Shank?—A. Yes, sir.

Q. I wish you would state in your own way your recollection of what took place at that final interview?—A. That interview was in Col. Wright's office, in Washington. The exact date, I don't remember, but I could refresh my memory by looking when I was there and when I left there—about the 30th of August. It was on a Friday, because I returned here—I got in here Sunday morning. At that meeting there were present, Capt. O'Brien (now major), Mr. Newman, I think Mr. Erskine, myself, and I am not quite sure whether Col. Wright was there or not. I think he was. The contract, as I remember it, was in the hands of Capt. O'Brien, who was in consultation with Mr. Newman on it, and I didn't see the contract, excepting that I saw the paper in their hands. I didn't read it, and was not conversant with it and was not interested in it, as I was only there as architect. I had at that time a number of duplicate copies of the plans and specifications and I took them into an adjoining room and spread them out on the table and had Mr. Shank sign them, identifying them as the plans and specifications mentioned in the contract which had been drawn up, which set, signed and initialed in that way—each set and also the specifications were signed and initialed in that way.

Q. Do you recall that Col. Wright also signed at least two sets of the plans and specifications?—A. I don't recall that. I could identify those plans if I saw them, and whether his name is on them or not, I don't now remember.

Q. Your preparation of the plans had been done under the employment of the Shank Co. up to that point had they not?—A. Yes, sir.

Q. And do you recall some discussion that took place at that final conference in regard to the severance of the relation of the Shank Co., in order, from that time you could represent the Government in that enterprise?—A. Yes, sir. At that meeting and also previous to that Col. Wright had made the statement that the Government would not be willing to make a contract based on those plans and specifications, as they were not complete, but that they would employ their own architect for the purpose of carrying out complete plans and specifications based on those preliminary plans that had been made. He said the Government would probably employ Schmidt, Garden & Martin to do that, and therefore my connection with the Shank Co. must be entirely severed, and I stated that was perfectly satisfactory to us, and Mr. Shank stated he was satisfied with that, and at that meeting Capt. O'Brien asked me if I had any connection with the Shank Co., and I stated, no, having by that time terminated my employment by the Shank Co.

Q. Do you recall that Capt. O'Brien prepared a draft or resolution to be adopted by the Shank Co., authorizing the execution of the contract by Mr. Shank, and at the same time providing for the severance of your relation with them, making note of that?—A. Yes, sir; I can say that I do remember that. I did not see that resolution.

Q. Did you read over the second paragraph of the contract as drafted, which made reference to the plans as insufficient for working purposes, and provided that the architect employed by the Government would immediately prepare the working drawings?—A. I saw the contract once at a previous meeting, not a meeting between the officers and the Shank Co., but a meeting of the Shank Co. representatives, and I was asked to read it, and I read it through. At my time, if my memory serves me correctly, there was no reference of that in the contract, and I never saw the contract after that, and therefore I did not see the paragraph of which you speak.

Q. Now, what was said by Col. Wright in regard to your return to Chicago and the expedition with which he wanted these plans to be gotten out?—A. I will not attempt to give his exact words. I will give from my memory what he said. Col. Wright said that time was of the greatest importance. In fact, at many meetings with Col. Wright this question of time had been gone over repeatedly by him and myself, and he said that inasmuch as the plans were now satisfactory to the Surgeon General's office and the Construction Department, that he thought it would be safe for us to return to Chicago at once and make every possible effort to get the working drawings out in the shortest possible time.

Q. Did he qualify that statement in any way?—A. He gave me the impression—I can not give his exact words—that while we did not have a legal contract with them at that time, that it was his opinion that there would be no question but that a legal contract would be made with us, and he suggested to us that we take advantage of the intervening time to hasten the preparation of those plans.

Q. Was it your understanding that services rendered after that date, in case the contract should not eventually be approved, was at your own risk?—A. I don't remember that any question of the failure of the contract being eventually made was raised at that time. I am willing to state, however, that it was my impression that we were going ahead at our own risk.

Q. That impression was not created by anything that Col. Wright said, so far as you recollect?—A. No; not by anything that he said; but I know from my business experience that a contract duly signed or made verbally is the only legal contract, and I knew this had not been made verbally by those officers authorized by the Government to enter into such contracts.

Q. You have done considerable work for the Government?—A. Yes; we have done considerable work.

Q. Had you prior to that time?—A. No, sir.

Q. You had no knowledge of any contracts which had been authorized in any informal matter in anticipation of authorization later?—A. No, sir. However, I wish to state that it was recognized by the Government officers and ourselves as an emergency; that the need for gaining time existed; and that we should take advantage of that interview.

Q. Would it be a fair statement in regard to that closing transaction that those present considered the matter as essentially determined and closed and that the subsequent approval was rather a formality that would follow on account of the approval of the Surgeon General's Department and the Construction Division?—A. Yes, sir; I think that is a fair statement.

Q. Can you recall anything that was said to Mr. Shank along similar lines relative to the urgency and necessity of his returning immediately and getting to work?—A. Yes, sir; the suggestion from Col. Wright that we hasten to Chicago and get to work on the working drawings was coupled with similar instructions or suggestions to the Shank Co. to begin work on the site, there being a great deal of work that could be done before the plans were finally finished.

Q. Can you recall if in that statement to Mr. Shank there was any qualification?—A. I think my statement of the qualification that I felt existed would apply to Mr. Shank's understanding at the same time. I can not remember of any specific verbal qualification at that meeting.

Q. But it was clearly indicated that all parties present at that conference assumed and took for granted that the matter was going to be approved and closed upon the terms they agreed upon at that conference?—A. Yes, sir.

Q. Did Col. Wright accompany you to the train that night, do you remember?—A. I don't remember.

Q. Was Mr. Schmidt, your partner, present at that conference?—A. Yes; I think he was; I should have included his name.

Q. Do you recall that you gentlemen were taken in Mr. Erskine's car at least as far as the Raleigh Hotel?—A. I traveled about Washington so much in Mr. Erskine's car that I can not say; my recollection is that Mr. Erskine took us to the train.

Q. Did Col. Wright go to the train with you?—A. I don't remember that.

Q. Col. Wright did express his earnest desire that you should get off that night for Chicago?—A. We had stated that if this matter could be signed that day we would go that night, and Col. Wright expressed himself—I would not say this was at this last meeting; we saw him several times that day—he expressed himself as satisfied that that was a good thing for us to do.

Q. Was it considered that the matter was substantially closed at that time when you started back to Chicago?—A. Yes, sir; I thought it was closed, all but the formalities of signing the contract.

Q. Did you have an opportunity for conference with Mr. Shank on the way back?—A. Yes, sir; he returned with us.

Q. From his conversation and bearing was it clear that his understanding was similar to your own?—A. Yes, sir.

Q. And on the way back were details of the work discussed between you?—A. Yes, sir.

Q. Now, I want you to tell me what you did after returning to Chicago in connection with this work.—A. The day before we left Washington we sent for Mr. Erickson, who had been taken from the office to Washington, to assist me with the plans as they then stood; he returned to the office with a set of the plans and specifications, and we had wired to the office to have the draftsmen meet him here Sunday morning, and they were here, and he being thoroughly conversant with the drawings commenced the work at once. Mr. Schmidt and I arrived the same evening, and the following morning we were here in the office, and we all of us went right to work, and in 13 days we produced the full working drawings of the work, and I returned with them to Washington.

Q. Is it an accurate statement that your firm worked night and day on the work?—A. Yes, sir; we had in the neighborhood of 20 men night and day right straight through.

Q. Did you visit the Speedway Park personally?—A. Yes, sir.

Q. When was that visit?—A. Within a day or two of my return from Washington.

Q. Were your services to include superintendence of the construction, and did you undertake that immediately upon your return?—A. Yes, sir.

Q. Did you establish representatives upon the property?—A. Yes, sir; we notified Col. Wright that with his approval we would put John Dutcher and Mr. Fitzgerald upon the work, and we received a letter from him that the appointment of those men would be satisfactory to the construction department.

Q. Your communication, of course, referred to an immediate appointment of those men and not a subsequent appointment?—A. We said we had put them on the work and asked his approval. I will say that his letter did not say that the construction department approves, but he did say that in his opinion the appointment of those two men would be satisfactory.

Q. Were you in receipt of communications daily from the Construction Division in regard to the work?—A. Not daily, but frequently.

Q. Have you copies of the files so they would be available to me?—A. Yes, sir.

Q. Could your office have three copies of your file made and send to me?—A. Yes, sir.

Q. What was Mr. Shank doing in the meantime?—A. Mr. Shank immediately put men on the site, laborers, preparing the ground for the work, tearing out the existing grand stand, getting in concrete mixers, excavating teams, machines, team men, tools, etc., and the work began.

Q. And proceeding in the usual way upon an accepted and closed contract?—A. Yes, sir.

Q. When you went back to Washington with the complete working plans, what happened?—A. Took them to the Construction Division and the Surgeon General's Office and submitted them for their approval, and the Surgeon General's Office made a few minor changes which were recorded in red pencil in a set of blue prints which I now have, and the Construction Division turned over the plans and specifications to a Maj. Burt. I was in consultation with them many times during the following week, and they were then stamped approved.

Q. That was getting along in the middle of September, wasn't it?—A. September 20.

(The set of plans produced by Mr. Garden bear the stamp "Accepted for Hospital Construction Division of the Army, Sept. 20. H. J. Burt, major, Q. M. C.")

Q. Was there an intimation up to the time of the approval of the plans that you have shown me that there was any doubt about the contract as an existing obligation?—A. No, sir; none further than what I have stated in the previous meetings.

Q. But nothing happened between the day you left Washington and the time these final plans were approved that cast any doubt on the desire and understanding that the building should proceed to construction immediately?—A. The contract had not been signed, and we were naturally inquisitive as to why it had not been, and on the day of this approval Maj. Nyden told me that Col. Wright had instructed them all to get busy and take the necessary steps to start the work at once. Maj. Nyden told me that he and four others of the officers in the Construction Division were then going through the various departments as to schedules and materials, details of expediting, etc.

Q. While you were there, did you report on the work that had been started and was being carried on by Mr. Shank?—A. I did.

Q. To whom was that report made?—A. Col. Wright and to others.

Q. Did Col. Wright or these other officers express satisfaction that the work was going ahead with such dispatch?—A. Yes; they all commended me for getting out the plans so quickly as I did.

Q. How about the commendation of Mr. Shank for getting under way?—A. I think that was made also. I think they said we had shown capacity in speeding up the work.

Q. The work was going on to your satisfaction at the time?—A. Splendidly; yes, sir.

Q. It has been stated in respect to the design and plans as finally prepared by you, that they represented the most complete, modern, up-to-date permanent hospital construction of its character ever attempted in this country. Is that correct?—A. I think it is, for the reason that no large Army hospitals of modern construction exist within my knowledge, and this is a large, modern, fire-proof plan, incorporating all the requirements of the Surgeon General's office.

Q. There is no doubt but what you brought your best talent to bear upon the proposition?—A. None whatever.

Q. The Surgeon General's office had every opportunity to express and incorporate their ideas when they were deemed practicable and would add to the character of the structure?—A. Yes, sir; the various chiefs of the different sections of the hospital, the dental section, the eye, ear, nose, and throat sections, the pathological section, were called in one by one and asked for their suggestions and criticism and for their final approval.

Q. Is it a fact, Mr. Garden, that after the proposition had been submitted in its original, rather incomplete form, but after some estimate of cost had been prepared, that these additional matters were incorporated, which would undoubtedly have added very much to the cost of construction?—A. The working plans were prepared in almost exact conformity with the preliminary plans; the only additions that exist substantially are additions of other buildings not within the walls of the main hospital structure.



Q. I think I am referring to the time prior to the approval of the plans, at the time of that final conference, the matter had been under consideration then for sometime, hadn't it, in Washington?—A. You mean previous to the approval of the preliminary drawings?

Q. Yes.—A. The earliest plans proposed were made by Mr. Wheelock, and those plans were extremely vague and not a completed working hospital. I then stepped in, and starting from a new beginning, prepared the drawings which received the approval of the Surgeon General's office, the other ones not receiving approval at all.

Q. It was suggested that there was least \$250,000 added in the modification and development of the plans. What do you think in regard to that?—A. I would say in regard to that that there might have been an addition of substantially \$200,000 between the preliminary plans which I made and something which Mr. Shank may have had in mind before, but of which I am not familiar.

Q. Did you ever prepare an estimate of the cost of construction of the buildings included in the final contract as prepared?—A. I did not make an estimate of the cost of the additional buildings previous to the approval of the preliminary drawings, because my preliminary plan did not include any buildings to be planned by us excepting the main hospital building. Our ground plan showed the location of the typical Surgeon General's plans, buildings of which we assumed the Surgeon General's office was familiar with in regard to cost. At that time Mr. Shank did prepare a proposal or estimate of cost of those buildings, but I did not make any.

Q. When you visited the tract, did you consider the character of the land and its elevation and physical features in reference to the character of the structure proposed?—A. Yes, sir.

Q. Is there anything in the physical character of the property which renders it unsuitable in any way for the hospital purposes to which it was to be devoted?—A. No, sir; there is not. We have built 50 to 60 hospitals and may claim to be expert in hospital construction, and we went into that very thoroughly and satisfied ourselves as to level, drainage level, character of the ground, water supply, transportation, and general physical features, and we then made up our minds and haven't since changed them, that it was a good site for a hospital.

Q. How would the site compare with other hospital locations which you may have in mind, if it is possible for you to state them, so that I may understand thoroughly how a hospital site is rated?—A. Well, in our opinion, a hospital such as this, a large military hospital—in fact, any hospital—should be located in a residence district as distinguished from a commercial district, where the surroundings are beautiful and the air clean and pure. This site is located in a suburban district, immediately adjoining Oak Forest, Maywood, River Forest, all of which are well established and old residence, suburban towns. The next requirement for a hospital site is good drainage. We investigated this property and we found that it is 35 feet above the level of Chicago sidewalks; therefore it has the advantage that all the hospitals of Chicago have, so far as elevation. Next we found that the ground was the original glacial clay, this hard, impervious clay, which can not be swamp land, because in the nature of things geographical that clay is so hard it will hold water like a tin pan. That water doesn't penetrate deeply. You can go in any such piece of land and probably a foot below the bottom of the pan you will strike those hard clay stratas which have not been impregnated with water. We found this soil sloped almost perfectly evenly from its westerly boundary toward the Des Plaines River. We found that it was 17 feet higher at its banks than the normal water level of the Des Plaines River, and that the highest high water which occurs there every spring has never come closer than 6 feet of its banks. We got that information from the officers of the cemeteries above and below this site, and also from the survey of the Greeley, Carlson & Co. In addition to the safe level of the ground at the river banks, it slopes from the river's banks to the hospital site 2 feet more. The levels I am speaking of were determined from taking the city records of Maywood and the records of the Illinois Central Railroad. In addition to that we raised the lowest floor level of our building 2 feet more. As to the drainage of the ground, in addition to its natural pitch, we found that a large drain, running diagonally across the property had been put in as a surface drainage, with lateral branches from it, and our examination of the ground proved that the drainage had done its work and that there was no water on the site. Then we found that the sewer immediately north of the property on Twelfth Street was a 4-foot-diameter sewer—I think it is 4 feet; I

am not quite sure as to the inches—and that sewer was down, as I remember it, 19 feet—at least a very safe depth, making it a perfectly simple job for us to drain the building. We found that the water supply came from Maywood and was ample and of fine quality, being an artesian well. We found that water was already distributed over the ground by two 6-inch mains, of which there was a mile and a half. We found, as to transportation it was at that time fair; as it exists it is fair; and a little later we were informed that the street railway companies had notified the construction department, immediately upon the request from the chief of construction, they were to extend their lines to the site. Therefore the necessary things that go to make a hospital site—the nature of the soil, drainage, water supply, transportation—were all in its favor. The only possible improvement that I could see for a large hospital of this nature would be perhaps a more attractive landscape, as at Fort Sheridan. Fort Sheridan is an especially beautiful piece of ground, with deep ravines and a lake; however, Fort Sheridan is a long way from the center of Chicago, and the Speedway is not. The appearance of the Speedway will be improved when the race track that is in it is removed. The plan contemplated the removal of all of those things, and their removal would leave an open field, which would make it possible to plant it to trees and give it beauty as well as utilitarian advantages.

Q. Reforestation would be an easy thing to accomplish?—A. Absolutely. Many of these homes around Chicago are situated on what was bare prairie farm land, upon which nothing has ever been raised except grain. By breaking up this hard soil and planting trees they got these beautiful home sites which are common around Chicago. In the course of the next 10 years it could be made into a beautiful site. I would like to state that as an additional reason for our considering this site a good and valuable one for a hospital, was the fact there is 320 acres, substantially, of land, which could be used for additional hospital buildings, with excellent transportation, recreation of every sort, including the recreation buildings, possibly farming, room for shops along the tracks, and the fact that it is located but a few miles directly west from the manufacturing district of Chicago on the West Side, so that men could go from the hospital to these shops, as the Government might require.

Q. Was there any doubt at all in your mind or in the mind of your partner, Mr. Schmidt, so far as disclosed, regarding the advantage and suitability of this site for the sort of development hospital that you would place there?—A. No, sir; there was no doubt in our minds for the reasons I have given. After thoroughly investigating it, we were not only sure that it was a good site, but were convinced it was an excellent site.

Q. Your description has been so comprehensive could you add something to the character of the surrounding territory, with respect to its possible future?—A. Yes, sir. I think Riverside, Oak Park, and River Forest are recognized as especially beautiful suburban towns. The little town of Maywood has a charm of its own. It is, of course, less prosperous and less popular because it hasn't got quite the transportation the others have, but to my notion, if the normal growth of Chicago continues for a little while and if street railroads are pushed into this territory, you will see the extension of Maywood or the building up of a new suburb in this immediate vicinity. There is no doubt that this will be a residence suburb at some time in the future, and at the rate at which we grow, probably within the next 10 years. It is only a question of transportation and the planting of trees. The ground itself is practically a sterile soil, which makes it excellent for a hospital. It is not a heavy farm land, but has been barely scratched 6 inches below the surface and has not been impregnated with fertilizers. Below the surface of the ground you are in this clay, which has been there since the glacial period.

Q. Were you informed of the cost of this project to the Government?—A. Oh, yes; I was told it would be \$2,500,000.

Q. You knew what the Government was to receive for this?—A. I did. Mr. Schmidt and I estimated the cost of this project and we did not see how it could be possibly duplicated anywhere else. We figured the cost of the main hospital as over \$2,500,000, not including fences, water drainage, the buildings which exist there, and the various material on the site. Our estimate of the cost is based upon our knowledge of the cost of hospitals which we have built ourselves, and of which we have complete records, dating back for many years.

Q. And in addition to the main hospital building to which your computation related, what, in addition, was the Government to get?—A. The \$2,500,000.

included the fences, water and drainage systems, existing roads on the site; it included the main hospital building, the administration building, power house, laundry, and kitchen; all those buildings but the laundry and kitchen were to be fireproof construction. It did not include the quarters for enlisted men, officers' and nurses' quarters, storehouses, morgue, pathological building, and chapel. Those it was contemplated would be built by the Government from their standard plans.

Q. And they were to be paid for in addition?—A. Yes; they were to be built by the Government itself or by the Shank Co. under contract as might be determined in the future.

Q. Confining your thought to the structures which were to be built and delivered by the Shank Co. for the sum of \$2,500,000, and without considering the value of the land and its improvements that would go with it, had you estimated the cost of those structures to the Shank Co.?—A. Yes, sir; we had estimated that those would cost \$2,200,000, possibly somewhat more.

Q. You said that was \$2,500,000?—A. Yes; but we estimated those buildings without anything more.

Q. What was to be included to bring that up to \$2,500,000?—A. All the land, with all its improvements, without any profit.

Q. No overhead expenses then? Just bare cost, labor and material?—A. Yes, sir. We didn't see how it could be done by the Shank Co., unless it was cleaning up a defunct concern and accepting its loss.

Q. Were you ever informed of the intention of Mr. Hines or any other person in connection with this to make a substantial contribution to this enterprise in order that the Government might have a permanent fireproof structure instead of a temporary, inflammable structure that had been built at other places?—A. Yes, sir; I was told from the beginning by Mr. Erskine that there was a considerable element of pride for Chicago and desire to assist the city in acquiring a permanent Government hospital of fireproof construction, and that a number of Chicago men stood ready to assist financially if necessary in achieving that result.

Q. From your knowledge of the proposition it was apparent that there would be a loss to some one?—A. In our opinion there would be a loss.

Q. And the amount of that loss would be determined by what value was placed on the land and what salvage that might be gotten out of the material that was not to be used in the construction?—A. Yes, sir.

Q. You have never been informed of the amount of the original investment represented there, have you?—A. I heard it was around—I can't remember now where I heard or from whom—a million and six hundred thousand dollars that they had sunk in it, and from my observation of the place that seemed plausible.

Q. And would that represent the amount of contribution if that was used as a basis?—A. I don't think that would be a fair way to establish what the contribution would be, because it represented on the park project.

Q. That would not be a fair basis to start with?—A. I think not.

Q. Supposing they had offered to dispose of it for a million and a quarter dollars, and that involved the payment of \$50,000 as a commission, and that was taken as the basis, would that be fair?—A. My opinion was that the proposition could not be duplicated on any other site around Chicago for the sum of money of \$2,500,000. As to what the owners of the land could get out of it we were not in a position to form any opinion, because we didn't know what their relations to the old companies were, or whether the loss had been sustained by others or by them, but as a straight building proposition we were of the opinion that it couldn't be duplicated, the land and the buildings, for \$2,500,000, anywhere around Chicago. That opinion was formed by us independently of any request or suggestion of the Shank Co. or the Government.

Q. There is another feature of the matter which I would like to ask you about: Did you at any time receive word that the matter was held up or that objection had appeared?—A. In the latter part of September, when I was in Washington, I went with Mr. Erskine to the office of the Secretary of War, expecting the contract to be signed that day. We got there late in the afternoon and Gen. Jervoy had approved it and the papers were then ready for the signature of the Assistant Secretary of War, but because it was late we were asked to let it go over to the next day, and the next day the contract was again deferred, and then I returned to Chicago, and shortly afterwards I was informed, I think by Mr. Erskine, that the Secretary had not approved it and it was held up.

Q. Have you ever learned what the objection was?—A. I have heard it said that the objection was that it was considered too costly to the Government. I have also heard it said that it was a swampy piece of land.

Q. Were either of those objections real according to your opinion?—A. In my opinion the question of the character of the land is absolutely clear to anyone who makes an investigation and not a superficial glance at the appearance. As to the cost for the Government, if it wishes to buy a fireproof hospital, in my opinion, this is a very cheap one. Whether they can build temporary hospitals cheaper is a question. I think, perhaps, they can build them a little cheaper, but if you consider the value at the end of 5 or 10 years then that argument of the cost of the Speedway falls to the ground, because at the end of that time this is still valuable and can actually be sold for more than enough to cover any possible difference in value of a temporarily constructed hospital at the end of the same time.

Q. Were you informed of a proposal subsequently made to take this structure, land, and all buildings from the Government at any time within eight years at 40 per cent of the original cost?—A. I was informed that a proposal of that sort had been made. I don't know who by.

Q. Assuming that proposition were available, how would that affect the advantage of the enterprise to the Government?—A. I should think it would eliminate any question of the expense to the Government of this hospital, providing they were willing to wait five or more years for reimbursement.

Q. And would result in the preservation of a permanent structure, where otherwise, in a temporary one, the material would be a complete loss?—A. Yes; there would be substantially no depreciation of this fireproof building, whereas with a wooden building there is liable to be almost total depreciation.

Q. And would result in a conservation of value to some one?—A. Yes; our hope was that it would result in a permanent Army hospital, not a temporary one.

Q. Can you state, Mr. Garden, any basis of comparison of the institution you had worked out here for the Speedway and other hospital constructions of which you have knowledge?—A. Yes, sir; the following tabulation of costs of hospitals is prepared from our records of hospitals which we have built, and of which we have the exact cost sheets on file in our office:

Gary General Hospital, December, 1917, bids amounted to 47.5 cents per cubic foot; Southworks Illinois Steel Co.'s Hospital, November, 1917, bids amounted to 39.6 cents per cubic foot; Columbia Hospital, Milwaukee, May, 1917, bids amounted to 37 cents per cubic foot; Fielding Home Hospital, Lafayette, Ind., December, 1917, bids amounted to 36.3 cents per cubic foot; Chicago Lying-in Hospital, 1916, bids amounted to 33 cents per cubic foot; Cook County Psychopathic Hospital, 1913, bids amounted to 33.2 cents per cubic foot.

Our records show that cubic-foot costs of fireproof hospitals averaged 35 cents immediately before the war; since then building costs have increased from 40 to 50 per cent, so that in our opinion it is not safe to say that a complete civil hospital can be built for less than 45 cents per cubic foot to-day, nor is it safe to say that a hospital consisting principally of large wards, such as a military hospital, if of fireproof construction, can be built for less than 37 cents or 38 cents per cubic foot. All of these costs are exclusive of land. The buildings embraced in the Shank Co. offer include the fireproof hospital, fireproof administration building, fireproof pump and machinery house, brick boiler house, brick stack, temporary construction kitchen, laundry, receiving building and covered connecting passages connecting all the buildings, concrete pipe tunnels from boiler house and machinery room to buildings. These have 7,500,000 cubic feet, or slightly over 33 cents per cubic foot, at a total cost of \$2,500,000, and this is without taking into consideration the value of the land and its physical improvements as they exist to-day. Our records show further that immediately before the war the average cost per bed of civil hospitals in fireproof buildings was \$2,500. We have no knowledge of the actual cost of the temporary frame construction cantonment hospitals which the Government has built, but are informed that they average \$850 per patient bed, exclusive of land. The Shank Co.'s offer amounts to \$1,000 per patient bed, including the land, and with all the patients housed in a fireproof building. In further explanation of the finished working plans which we prepared for the Speedway hospital, I wish to state that these plans include every requirement of the Surgeon General's office as to square foot area or patient bed, and cubic foot area; that it also includes the full

allowance of 10 per cent of quiet rooms in addition to the large wards—that is, 10 quiet rooms for each 100-foot ward; that if this allowance of floor and cubic foot area, the proportion of quiet rooms is reduced, as it frequently is in practice, the Speedway Hospital will accommodate greatly in excess of 2,500 beds. It is also profitable to note that opening off of each ward in the Speedway plant, is an inclosed sun porch of large area, capable of holding a great many beds, and the area of those porches, which are closed and heated, is not figured in determining the number of patients housed; that is, 2,500 beds. Were these sun porches and the quiet rooms, the latter also not included in the Surgeon General's requirements, filled with patients, we would have an additional bed capacity for the hospital, of 284 beds.

Q. What can you say in reference to the amount of travel necessary in a structure of this form and design?—A. Each 100-foot unit is complete in itself, so that the nurses and officers in charge of this ward need never go beyond the confines of the unit, except to take patients to the operating sections. The total number of steps necessary to cover the entire building, as on inspection, is considerable less than the distance of travel required on a typical group of buildings as illustrated in the Surgeon General's standard plans.

Q. Have you recently visited the premises or received reports of the present progress of construction?—A. Yes, sir; we receive reports daily. We sent one of our men to watch the work.

Q. You are doing that still?—A. We are doing that for our own information and at our own expense. We are not giving any orders to the contractor, but we are offering him suggestions as to our opinion of various questions which arise.

Q. What is the present state of the work at present?—A. The building is three stories high and the concrete fourth floor will be poured next Tuesday, so that it is three-fourths done, so far as the inclosing of the structure.

Q. The contractors stated that, while at the present time, he was employing only 960 men on the work, he could employ economically 2,500; do you think that is an accurate statement?—A. Yes; I think that is an accurate statement.

Q. Mr. Shank also stated that he believed that under favorable conditions, and with approval and priority provisions he could complete the whole project, including the additional buildings proposed there, within 90 days, do you think that possible?—A. Yes; I think that is possible.

Q. Have you been watching the work in a manner that would enable you to pass on everything that had been done up to this time, and give your approval, if, in any event, it should be determined to proceed with the work?—A. We have kept a daily record of everything done and are thoroughly familiar with every detail of the work as far as it has gone, and can give an accurate report of exactly how closely the present plans and specifications have been followed.

Q. Are there any other facts within your knowledge relative to this matter that I haven't brought out by the questions I have already put to you?—A. None that occur to me now.

#### WALLACE HECKMAN EXHIBIT 10.

#### RECORD OF EXAMINATION OF MR. WALLACE HECKMAN, COUNSEL AND GENERAL MANAGER OF THE UNIVERSITY OF CHICAGO.

I was at Oregon, Ill., in the country, when Mr. Horace Teney called me up and said Col. Sterritt would like to see me in regard to a certain matter. Col. Sterritt came to my house there, a couple of miles up the river, and reached there at 9.30 at night, and left the next morning at 4 o'clock, and then I first learned just what he wanted to see me about. They had told me before that it was something about the Speedway property; that the Government wanted it for a hospital. I saw that if Col. Sterritt came so late at night and went so early the next morning I ought to be fortified with any information that I would need, and while I had a certain knowledge of real estate—I had been in the habit of consulting Wallace G. Clark; I employed Clark & Trainor to purchase something like a million and a half dollars worth of property in pieces—purchase in lots—and it required a great deal of skill to handle it. If they had been inclined to have magnified their work, it would have leaked out. They handled it very successfully, purchasing a mile frontage of lots, and it didn't leak out until it was all over. It was done in a very straightforward way. I

knew that Clark knew values along the canal. I said to myself, I can not do better than to compare my information with Wallace Clark, and I called him up to ask him about values there. I didn't tell him at all what it was about, just wanted to know what his idea was of the value of vacant property in that locality at first, and finally I told him the exact piece, so I would know what his valuation was, and he placed it at about the same figure I had in my mind before I talked to him, and he verified his, which I couldn't, with transactions in the neighborhood, so I felt when Col. Sterritt came I could say I had talked with Clark, who has been handling properties, and give his idea of it also. There were two phases of the thing that Col. Sterritt seemed to want to talk to me about; that was one of them—the value of the property. I gave it to him, and you have his report showing what my view to him was. The other was Mr. Hines's connection with it. Now, I don't need to comment on that, that his reputation is so well known by everybody, and I share the general view of that gentleman. I communicated that fact to Col. Sterritt, and told him that I was sure that men like — would give him any information they had about that man; that they had gone into it somewhat; and I referred him to several whose statements could be relied on. My conclusion to Col. Sterritt was that notwithstanding Hines's reputation, since the price of that property was at the figure it had been figured in the transaction, and the matter was in the hands of a contractor who was, as far as I know, responsible, and certainly was experienced, and since they had that large amount of lumber right there on the plant, I did not see how the Government could approach the economy of construction anywhere else. I think, notwithstanding his investigation and what he found out, the matter was dismissed or the negotiation terminated by the Government before Gen. Noble called. No; it did not happen when Gen. Noble called. When he called the matter was still open, and he was investigating it. Gen. Noble came here with—was it Mr. Clark or Mr. Trainor—one or the other of that company came here with Gen. Noble. Was it one or both? If so, one or the other or both of the company; and since he had reached the conclusion that that, after all, was a quick way and an economical way of securing this hospital, they seemed to concur in it, and we all seemed to think it was a mistake not to take advantage of it, and the question was raised as to how to get the matter before the Government, and something was said about referring it to somebody, to a committee; and I made a suggestion that a committee of such men as Cyrus H. McCormick and Mr. Reynolds be asked to go into the matter, and with their knowledge of the man and the community, and their reliability, they would be able to command information that would make the Government safe, and make the Government representatives feel that they were acting on such advice that nobody could thereafter question their good judgment. Now, this is it in a nutshell.

Q. That suggestion was made there in the presence of Mr. Clark?—A. Yes; and of Gen. Noble.

Q. That was all there was to it?—A. Yes; that suggestion wasn't made to Mr. Clark, but to Gen. Noble, who was investigating the matter.

Q. You never communicated that to anyone else except to Gen. Noble and Mr. Clark?—A. I don't think I made it the subject of conversation to anyone else. No; I think this interview is the first mention of that to anyone.

Q. That covers your entire connection with this matter?—A. Yes, sir.

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#### WALTER V. AIKMAN EXHIBIT 11.

RECORD OF EXAMINATION OF WALTER V. AIKMAN, RESIDENCE BERWIN, ILL., AND A MEMBER OF THE FIRM OF OGDEN, SHELDON & CO., NOVEMBER 8, 1918.

Q. Did you or your firm represent a former owner of a part of the Speedway tract?—A. Yes, sir. Emma A. Butler, who was the owner of the south 152.93 acres of what is known as the Speedway tract. The contract was entered into August 20, 1914, with one Edwin G. Temple, providing for the payment of \$53,522 in monthly installments of \$2,000 each. The contract was subsequently assigned by Temple to the Speedway Park Association and by the Speedway Park Association to Edward H. Thomas, who, upon payment of the balance of the purchase money then unpaid, received a quitclaim deed for the premises from Miss Butler.

Q. Are you quite certain that the transaction was first an assignment to the Speedway Park Association and then to Thomas, or was it the other way?—A. Yes; because we conveyed to Thomas. The Speedway Association does not appear on our books except indirectly, but apparently we had no dealings with the Speedway Park Association.

Q. The contract, then, was assigned to the Speedway Association before it passed to Thomas?—A. Exactly.

Q. Do you have general knowledge of the acquisition of that tract by the Reed interests for the Speedway Association?—A. Only in a general way.

Q. Were there any dummies in the transaction?—A. I assume that there were. I presume that Temple was a dummy.

Q. Was Thomas also a dummy?—A. I presume that he was. The situation was this: A lawyer here in Chicago, by the name of Dwight W. Bobb, called here. He wanted to know if it would be satisfactory to us to convey to Thomas, providing the proper assignments were made, and we saw no reason why we should not do it that way. The conveyance was a quitclaim deed. It didn't make any difference to Miss Butler. She had her money and they had the property.

Q. So that all that was paid to your clients was at the rate of \$353 per acre?—A. Yes, sir.

Q. Do you know whether the title was eventually passed to the Speedway Co.?—A. No.

Q. You don't know what became of it after you transferred it to Thomas?—A. No; we were not interested in it.

#### LOUIS W. PITCHER EXHIBIT 12.

RECORD OF EXAMINATION OF LOUIS W. PITCHER, NOVEMBER 8, 1918.

Mr. Louis W. Pitcher, being first duly sworn, was interrogated as follows:

Q. Where do you reside, Mr. Pitcher?—A. 919 East Fifthleth Street, Chicago.

Q. Are you in business?—A. I am in the insurance business at 175 West Jackson Boulevard.

Q. Have you a military title?—A. I am a veteran of the Civil War.

Q. Do you remember having some talk with Mr. Clark in regard to the Speedway project?—A. Yes, sir.

Q. Did you have more than one talk with him about it?—A. Only one.

Q. Where did that take place?—A. At Mr. Clark's office, 30 Michigan Boulevard.

Q. Will you tell me just what was said?—A. I had been into Mr. Trainer's office and met Gen. Noble, and after coming out of his office and paying my respects to the general, Mr. Trainer rather gave me an idea of what the general's position was here in his introduction, and I knew that Mr. Trainer was associated with the general in war and hospital work. After leaving Mr. Trainer's office I went into Wallace Clark's office, which was adjoining, and I incidentally asked, "How is the Speedway coming along?" and he says, "It ain't coming along at all; things are all balled up." I said, "What is the matter?" He said, "The Speedway people and the War Department seem to be at loggerheads, and Mr. Jacob Newman, attorney for the Speedway people, and Mr. Erskine and Mr. Edward Hines have been down in Washington for a number of days, and they seem to have the impression down there that they have tried to put one over on the War Department." I said, "Isn't there a way out of this entanglement?" He says, "They haven't been able to find any way out of it yet." I says, "What is the general trouble?" and he says, "It is over land values; they are not able to agree on land values." I says, "That ought to be a very simple matter; I may be able to do something for you. Jacob Newman is a personal friend of mine. We have been in war work together." He says, "Certain men had been consulted here in Chicago, of the real estate board, to make an appraisal of the values of that land out there, and they had brought in an appraisal that was entirely unjustified by the location, the value of the improvements, and the value of the land, which would not be accepted by the other side," and I asked him "If he thought these land values brought in by this committee were too high or too low," and he says, "The way land is selling in and around Chicago, I can not blame them for not accepting that award." I said, "Well, has the War Department indicated what they might be willing to pay?" He says, "You know those values over there; you have been here in Chicago for forty-odd years, and you know something of the values of land in that vicinity,

and would you think that \$603 was an adequate price per acre?" and I says, "No; it is not; you can't buy any land around Chicago—I don't care where you go—for that money." He says, "That seems to be the entire situation; they won't accept the price, and there is no disposition on the part of anybody to take a step further." I says, "Do you mind telling me what you think a fair valuation?" He says, "Speaking for himself alone," he says, "now, you know that the people of Chicago are prejudiced against anything that Edward Hines has anything to do with; it is a natural prejudice that has grown up here for years." I says, "Yes; I know of that general prejudice." He says, "Now, in order to remove this prejudice from the War Department, if they would select some representative men, whose judgment would not be questioned by the public, to appraise this property, I think this whole matter could be settled," and I said, "Such men as who?" He says, "Well, take such men as Wallace Heckman, of the University of Chicago; Cyrus McCormick, Mr. Reynolds, and Chauncey Blair; now, there is a class of men, when they pass judgment on a proposition of this kind, the public would know that justice had been done to everybody in the proposition, but Milton can't go to the other side, and I don't feel well enough acquainted to take steps in that direction." I says, "I know Jacob Newman very well, and he is a man I can approach and talk with just as friendly as I talk to you, and if you think it will do any good I will be very glad to make this suggestion to Mr. Newman on behalf of his clients, without any recommendation at all." He says, "No harm can come from it, and they have got to do something of the kind in order to get this matter straightened out. I feel that the Government would be glad to have this hospital there, but they will not accept it or come to any terms as long as conditions remain as they are." I went to Mr. Newman's office and found he was in Washington. I was exceedingly anxious to get this proposition to him, and after carefully weighing the subject I made up my mind I would talk to Mr. Popenhouser, of the firm of Newman, Popenhouser, Stern & Johnson, and so I had an interview with Mr. Popenhouser, and I stated the circumstances to him and said I would like to get this information to Mr. Newman. I says, "It is not anything that needs to be written; I can tell you everything that I know, and that is simply get to Mr. Newman a suggestion that he submit on behalf of his clients the names of those men; if he would be willing to abide by the appraisal of this property by these gentlemen, the public would be satisfied, and I have every reason to believe that the Government would be satisfied." He said, "Well, I will undertake to get the information to Mr. Newman; I don't know just how." I says, "Why not call him up on the long-distance phone?" "Well," he says, "I may do that if I can get him on the phone, or I may write him and get it off by the next mail, so that he would get it not later than to-morrow." He rather intimated by a question which he asked of me, "If I had been approached by anybody to make this suggestion," and I said, "No; I did this solely out of my friendship for Mr. Newman—my desire to see him succeed; and if these suggestions are of value, as they seem to me to be of value, it may be the means of bringing the War Department and Mr. Trainor and Mr. Hines together," and that is the first time I had used Mr. Trainor's name; for I said, "After all, Mr. Trainor has got to be satisfied, Gen. Noble has got to be satisfied, and the War Department has got to be satisfied, as well as yourselves, and this may satisfy all of you, for you know they are all honorable men." He says, "I thank you very much for the information; I don't know very much about this matter as it stands to-day, but I will give this information to Mr. Newman," and with that, I left. Now, I have been told since that time that he wrote to Mr. Newman, but he did not confine the contents of his letter wholly to our conversation.

Q. But as you have stated it, that is all the information you have ever had about this transaction?—A. Yes, sir.

Q. You certainly gained no impression from anything said to you by Mr. Clark of a desire on his part to get into the matter as an agent so as to gain a commission?—A. On the contrary, Mr. Clark took particular pains, as Mr. Trainor has done repeatedly since he entered the Government service, that he had to sever all his relations with the real estate business in Chicago; and he said, "I was in the real estate business before I went into the service, and I expect to go back to the real estate business as soon as I am through with the service, and I would not, as I value my reputation and my family's reputation, have this office connected with anything in which the Government is interested, in the way of participating in commissions, money, or anything else? I reported my interview to Mr. Clark and told him what I had said to Mr. Popenhouser, and I said, "I don't know whether he will write down to Washington or what they are going to do, but I came to tell you just what I said." Mr. Clark said,



"I hope that you did take the opportunity of saying to them that I was not in any way interested, either for or against that proposition, in any other way than I realized that the Government was in need of a place of this kind, and it would seem to be so far along that there had ought to be no little differences between the buyer and the seller that would block the proposition," and he says, "You know I occupy a very delicate position by being associated with Milton." and I said, "Wallace, I took particular pains to say to Mr. Poppenhouser, in reply to an insinuation, not a question, that he could not buy Milton Trainor's influence for all the money that he had or his associates had, and that he couldn't buy anybody else's influence that could in anywise influence Mr. Trainor. They are above that; they are going to live in Chicago long after the war closes; they have got a good reputation and they are going to sustain it." I said for him to say to Mr. Newman my desire in coming there was to benefit everyone concerned if I could in any way. After Mr. Newman returned from Washington he sent for me. He did not reveal to me the contents of the letter he received from Mr. Poppenhouser, and he asked me if I would state to him what I had told Mr. Poppenhouser. I repeated to him just as I have repeated to you, and he says, "Did you go no further?" and I says, "No, sir; that is all I had to say," and Mr. Newman thanked me. Mr. Newman asked me, "Do you still believe that these men would serve upon a committee of that kind? They are not in the real estate business." I said, "No; but they are public-spirited citizens, and I believe if you request them to serve in this capacity, stating the reasons why you sought their influence, there was no doubt but what they would all serve." He says, "You know Cyrus McCormick isn't a very good friend of Mr. Hines." I says, "All the more reason for Mr. McCormick to pass upon a proposition that Mr. Hines is trying to sell for." I said, "We all know here in Chicago what occurred between Cyrus McCormick and Edward Hines—Edward Hines is very closely identified with the Lorrimer matter—and there was then and is to-day more or less ill feeling between Mr. McCormick and Mr. Hines; but Mr. McCormick is a great big broad-gauged man, public spirited, and he wouldn't deny, the Speedway people justice." He thanked me very kindly and said, "I may have an interview with all of my people this evening, and I will tell them what you have told me here."

Q. Did you understand that this suggestion originated with Mr. Clark?—A. I inferred from what Mr. Clark said that this was the class of men which, if they would pass judgment upon the value of this particular piece of property, it would be accepted by the public as a true value of that piece of property. The public prejudice, the public feeling, would not be against a decision that they would enter into.

Q. And that was communicated to you as his thought?—A. Yes, sir.

Q. And he didn't tell you that anyone had suggested it?—A. Oh, no; not at all.

Q. Have you heard anything further in regard to the matter since your talk with Mr. Newman?—A. About 10 days ago I was in Wallace Clark's office, and I asked Walter Clark if there had been any change in the Speedway relations. He said, "No; there has not been any change in the relations, but that some one—I don't know as he stated who—had said that they had received a letter from me, signed by me, making statements in reference to the Speedway which they couldn't understand." I said, "Wallace, I came down here and told you just what took place; I haven't written a letter to anyone and haven't mentioned the subject to anyone excepting Mr. Poppenhouser, Mr. Newman, and yourself." He said, "The statement was made that you had written a letter," and I said, "I had written no one."

#### EXHIBIT 13.

RECORD OF THE EXAMINATION OF LIEUT. COL. JOHN A. HORNSBY, MEDICAL CORPS,  
TAKEN AT WASHINGTON, D. C., NOVEMBER 11, 1918, BY MAJ. L. W. STOTESBURY,  
I. G. D.

The witness, having been first duly sworn, was interrogated as follows:

Q. What is your present assignment, Colonel?—A. Well, I have been in charge of the Construction Division of the Surgeon General's office. We are just switching now.

Q. Have you had anything personally to do with the consideration of the property known as the Speedway Park in connection with its use for hospital purposes?—A. Not since the very first inception of it.

Q. Did you ever make an examination of the property with particular reference to its use for hospital purposes?—A. I did not.

Q. When did you last see the property, if at all?—A. I lived in the immediate neighborhood for a number of years.

Q. How close to it?—A. About a half mile.

Q. What place is that?—A. That is River Forrest, just below Maywood.

Q. That is on the opposite side of the Desplains River from the Speedway property?—A. On the opposite side of the Desplains River from the Speedway Park.

Q. Do you know the main elevation of the Speedway Park property above the Chicago dock?—A. No; I don't.

Q. Do you know how high the Speedway Park is above the main water level of the Desplains River?—A. I don't.

Q. Some time recently you wrote a letter to the Secretary of War in regard to the Speedway location, in which you referred to a general situation of that property—is under water half the time.—A. I do not think that is overdrawn. It is a wet, swampy, sloppy place. The water does not run off in wet weather, and when it rains it lies there for weeks.

Q. You are speaking of the general locality?—A. General neighborhood.

Q. Did you know that the Speedway Park property had an underground drainage system there comprising some 22 miles of pipe?—A. No; I am speaking of the general locality now.

Q. It has been stated to me, Colonel, that the weather condition of the locality was due to the fact that the soil there was of a clayey character underneath the top soil that was impervious to the water, and the level not being sufficient to drain it off allowed it to collect. Do you think that would account for it rather than the elevation?—A. Oh, I am sure that does.

Q. It was the character of the soil rather than its lowness?—A. I don't think I have any doubt but what it is an impervious water-holding soil that keeps it muddy and wet for long periods following rains.

Q. How recently have you lived in Forrest Park?—A. I do not live there now.

Q. How long ago?—A. Fifteen years.

Q. You have not been out in the locality 15 years?—A. Oh, yes; I have been out in the locality—I live in Chicago. I am out in the locality all the time. I own property just out west from there.

Q. Well, great changes have taken place in and about that property in the last 15 years?—A. Oh, yes.

Q. And these suburban villages there—Oak Park, Riverside, Maywood, and Berwyn—have all grown up considerably, haven't they?—A. Yes, they have. I own a farm west from there and I have been living out there and I passed through there all the time.

Q. The elevation of those villages are no higher than Speedway Park, are they?—A. I should say offhand that there isn't six inches difference in 10 miles up there. It is all low and level—dead level.

Q. Can you state the average cost per bed of the conversion of temporary structures for hospital purposes in the locality of Chicago?—A. Well, that is not a fair proposition because we did not convert hospitals from other buildings.

Q. You take a building that is already adaptable?—A. Yes. If we are going to take a building—for instance, I have just finished getting approximately 25,000 hospital beds from New England clear down along Ohio and clear down to New Orleans, and we have paid rent and we have paid for the conversion, and I should say, offhand, we have gotten approximately 25,000 beds at less than \$2,000,000.

Q. What is the average rental—what is the cost per bed?—A. I would have to figure that out, but the whole thing amount to less than \$100 a bed; rental and conversion expenses less than \$100 a bed.

Q. Would it change your attitude at all in respect to this project if you knew that the plans contemplated a main, up-to-date, complete fireproof structure, every detail covered that could be suggested by any of the experts in your own department as well as in the Construction Division, and that the cost to the Government was less than \$100 per bed even compared with the rental proposition?—A. How many years are you going to figure on?

Q. That gives the use of it for eight years?—A. No. I don't think there is any right to take any such figures.

Q. What does it lack, in your judgment?—A. It lacks elevation, it lacks atmosphere, neighborhood. It is not a nice neighborhood. It is not a place that any living human being would put a permanent hospital in if they were picking a place for a permanent hospital.

Q. What is the basis of the policy requiring temporary inflammable structures for hospital uses rather than insistence upon fireproof structures for that purpose?—A. Two classes of hospitals must be taken into consideration: First, the cantonment hospitals, hospitals whose factors are subordinate to other conditions that have made it necessary to put cantonments at certain places; in other words, great drill grounds have been factors when a cantonment was fixed, then the hospital had to be taken to it because the hospital was the lesser consideration. There were no permanent buildings there for a hospital and we had to go into this new ground to put a hospital where the men were all trained. That made it necessary for us to work quickly, and we finally compromised with safety by putting one-story nonfireproof buildings as an expedient, not as a desirable thing. The other hospitals are hospitals that are not predicated on some more important factor, but are independent in the community as hospitals pure and simple. Therefore the exact location of them did not make so much difference. We could get 5, 10, or even 50 miles of fine soil that was of usable character for temporary buildings. That brings us to a fireproof one-story building—buildings that we could find in the larger communities, as we are finding now. In order to create this zone system of hospitals by which certain wounded from overseas are brought into territory from which they came into the Army. Now, we are succeeding in getting fireproof hospitals into the Army. I have just succeeded in getting approximately 25,000 beds of that class of construction.

Q. To what extent do these structures have to be converted to make them usable as hospitals?—A. To a very small extent, as a rule. Take one for example: East End High School, Cincinnati; that building is not quite finished, but is to be a grade high school. If it were completed as planned it would have a cafeteria and kitchen on the top floor, workshops in adjoining buildings, a complete power plant, and a vast number of large classrooms, which only lack a very little more; baths to make them perfectly usable as modern hospital constructions. Now, we are having that little done. It is costing an infinitely small amount.

Q. Were you consulted in regard to the plan of the proposed Speedway construction?—A. Yes; at the inception of it I was.

Q. Did you go over the finished plant?—A. No.

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#### EXHIBIT 14-A.

#### RECORD OF EXAMINATION OF LIEUT. COL. C. C. WRIGHT.

Lieut. Col. Wright, first being duly sworn, was interrogated as follows:

Q. What is your special department with the Construction Division?—A. Chief of section B of the Building Division.

Q. Just what is their function?—A. In charge of the procurement of authorities and the direction of all the actual construction work in the field. Section B has charge of all camps and cantonments in the country, with the exception of North and South Carolina, Georgia, Florida, Alabama, Mississippi, Texas, New Mexico, and Arizona. It also has charge of the construction of all general hospitals throughout the entire country.

Q. Are you familiar with the so-called Speedway Park Hospital project?—A. Yes, sir.

Q. Your department had to do with that proposed construction, did it not?—A. Yes, sir.

Q. Will you please state in your own way when you were first brought into the matter and everything that was done in regard to it?—A. This proposition was first brought to my attention by Col. Gunby, in charge of the engineering branch and the requirement section of the Building Division. The parties representing this matter were sent to him by the office of the Surgeon General. After these gentlemen had explained in general to Col. Gunby what this proposition was, he called me on the telephone for the reason that it would ultimately come into my department for analysis. When I reported to his office a Mr. Erskine was there with Lieut. Col. Dickinson, of the General Staff. Mr. Erskine had an original letter addressed to the Secretary of War, dated August 3, 1918,

from Mr. George H. Shank. To this letter was attached a copy of a memorandum from the Surgeon General to the Chief of Staff, under date of August 14, 1918, recommending approval of the proposal made by Mr. Shank. The proposal of Mr. Shank was very brief, and simply stated that they proposed to build on the present Speedway Park, located near Maywood, Ill., a permanent fireproof hospital, to accommodate 2,500 beds, at a cost of \$2,500,000 to the Government. My first question to Mr. Erskine was as to whom he represented and who the interested parties were that were making this proposal to the Government. He stated that he could not tell, but that certain people in Chicago were desirous of having a large permanent hospital for wounded soldiers and that they had brought the project forward. This was not entirely satisfactory, but Mr. Erskine gave both Col. Gunby and myself every reason to believe that he spoke with authority for these parties. I had no personal knowledge of him previous to this time. Mr. Erskine then showed me the proposal of Mr. Shank, together with the Surgeon General's memorandum, and also some sketch plans indicating the type of hospital they proposed to construct. I stated to Mr. Erskine that the papers which he showed me and the drawings meant absolutely nothing in so far as indicating to me that they covered a complete, finished hospital as would be required by the Surgeon General. This resulted in Col. Gunby's arranging for a conference in my office at 4 o'clock that afternoon. This conference was held, at which were present Mr. Shank, Mr. Wheelock, an architect, and Mr. Erskine. This interview actually occurred at the time stated.

The conversation was general, and I repeated the statement to these gentlemen that the papers which they submitted were in such crude shape that before the Construction Division could analyze it for presentation to the Secretary of War for approval it would have to be worked out, showing exactly what they contemplated in their proposal, together with all of the requirements laid down by the Surgeon General's Office. I made it clear to them that the War Department was not favorable to this type of a proposition on account of the fact that it had come into the Construction Division in an irregular manner. In explanation of this let me state that practically all of the work done by the Construction Division originates in the various bureaus of the War Department and is sent through the Construction Division for estimate and analysis prior to its being presented to the Secretary of War. There have been only one or two cases of my knowledge in the Construction Division where a proposal has been made for certain construction work through outside interests and which has ultimately come to the Construction Division for analysis before being presented to the Secretary of War for approval. From that time on there were numerous interviews in connection with this matter, most of them between Mr. Erskine and myself. At one of these interviews Mr. Erskine told me that he had talked with Secretary Baker about the proposition and had shown him that the Government could, through the purchase of the Speedway property and the acceptance of Mr. Shank's proposal, procure a permanent fireproof hospital of 2,500-bed capacity for \$1,000 per bed, and that he had stated to the Secretary that the Surgeon General's Office had advised him that the temporary hospital construction which had been done by the Construction Division had been costing an average of \$1,500 per bed. I told Mr. Erskine that he had made a misleading statement to the Secretary of War, for the reason that the proposition as submitted by Mr. Shank did not include by any means all of the facilities required by the Surgeon General's Office for a complete hospital of this capacity. In addition to this, I explained to him fully how the unit cost of \$1,500 per bed for temporary hospitals was arrived at. I made it clear that in constructing the general hospitals, such as Otisville, N. Y., it was necessary for us to go into open country to build complete water systems, sewer systems, electrical service plants, railroads, track work, and everything of that nature which goes to building a complete town, and that all of these costs were considered in arriving at the unit cost per bed. I showed him that in building the Speedway Hospital on that property that practically all of these facilities were already provided for, and therefore would not in this case enter into the unit bed cost in the same manner as the temporary hospital we had built. After this explanation he stated to me that he was going back to the Secretary of War and clear up the misunderstanding that he had created. At one of the conferences Mr. Erskine asked me what architects would be satisfactory to the Government in a project of this kind. I told him that the firm Schmidt, Garden & Martin, hospital experts, of Chicago, would be satisfactory to the Construction Division. He advised me that he would call in Mr. Garden, of the above firm, to assist him in preparing the preliminary plans so that they could be submitted in satisfactory

manner to the Construction Division. Mr. Garden did come to Washington without any instructions from the Construction Division and was engaged for some time in space turned over to him by the Surgeon General in preparing preliminary plans to submit to the Construction Division. On the Saturday following the first interview in Col. Gunby's office Mr. Erskine brought to my office Mr. Jacob Newman, an attorney, of Chicago, and asked if it would not be possible for Mr. Newman, together with our contract branch, to start the preparation of a form of contract which could be submitted with the other papers to the Secretary for approval. I introduced him to Col. Shelby, of our contract branch, and told Col. Shelby that it would be necessary to prepare a type of contract not based upon completed plans, specifications, and details but based on preliminary sketches, so that the work could proceed immediately and the final drawings prepared by a firm of architects to be selected by the Government. Specifications and plans were finally prepared by the parties that Mr. Erskine represented as sufficiently in detail to enable me to determine all of the elements included in the proposal submitted by them, and also to arrive at its fair cost.

During this time the form of contract above referred to was prepared by Maj. O'Brien in consultation with Mr. Jacob Newman, and the papers generally gotten in shape to present to the Secretary of War for approval. During various conferences that were held with Mr. Erskine he told me that he had repeatedly talked this matter over with the Secretary of War; with Mr. Bernard Baruch, of the War Industries Board; Mr. W. G. McAdoo; and had also informed me of his close connection with President Wilson. He told me that in his conversation with Secretary Baker, the Secretary had intimated that this matter was deserving of further examination, and that purely on the face of it it looked as though it would be a good thing from the Government standpoint. On Saturday, August 31, the final form of the contract and the plans and specifications had been agreed to a point where both Maj. O'Brien and I felt they were in shape to present to the Secretary of War for approval. At that conference were present in my office Mr. Shank, Mr. Erskine, Mr. Garden, Mr. Schmidt, and Maj. O'Brien. Mr. Shank stated that he was very anxious to leave Washington and desired to have the papers in such shape that if the project were approved by the Secretary it would not be again necessary for him to return. He was advised that there was no reason why he could not sign the form of agreement and also initial the plans and specifications as a form of identification, provided the contract was ultimately executed. This he did and the plans and specifications were subsequently initialed by myself. A day or two after the 31st of August Mr. Erskine came to my office and asked me if I thought it would be safe for them to proceed with the actual construction work. I told them that if they did proceed with the construction work it would be entirely at their own risk and that neither I nor anyone in the Construction Division had authority to order this work to proceed until it had been approved by the Secretary of War. A day or so after this Mr. Erskine came into my office and told me that he had decided to go ahead, and that if the project were not finally approved that he and Mr. Shank would split the expense incurred 50-50. Because of certain adverse criticisms that had been made by some one in the Surgeon General's Office involving the loyalty of Mr. Richard E. Schmidt, head of the firm of Schmidt, Garden & Martin, Mr. Schmidt came to Washington in connection with that matter. Mr. Schmidt called on me with reference to the Speedway project and was advised that if the work was finally authorized by the Secretary that his firm would be retained formally by the constructing quartermaster who would be assigned to that work as the consulting architects and engineers for the Government. I further told Mr. Schmidt that if his firm would be retained by the Government that Mr. Garden would have to sever any connection that he might have with the Shank company. In the meantime the firm of Schmidt, Garden & Martin had proceeded with the preparations of final plans and specifications, with the understanding that if the project were not approved that the Construction Division would have no way of reimbursing them for their expense. On August 30 or 31 Mr. Erskine came to my office and stated that he understood that Secretary Baker was going out of town and that he would like, if possible, to see him just a moment before he left. Mr. Erskine asked if it would be possible for me to have the memorandum covering this project to the director of operations prepared before his interview with Secretary Baker. I told them that this was out of the question, particularly because the clearance from the War Industries Board had not been obtained at that time. He then asked if I would be willing to accompany him and state to the Secretary what analysis

of the proposition had been made by the Construction Division. We then went to the Secretary's office with Capt. Cutler of the Surgeon General's Office, and Mr. Erskine, after failing to see the Secretary, obtained an interview with Mr. Kepple. Mr. Kepple asked me what steps had been taken by the Construction Division in this matter, and I advised him that it had come to our office in such crude form that it had been necessary for us to spend two or three weeks in analyzing it and getting it in shape to present to the Secretary for approval. Mr. Kepple said that the Assistant Secretary could pass on this matter, but that it was utterly useless to present it to him until the papers were in final shape, including the memorandum from the Construction Division giving their recommendations, together with the clearance from the War Industries Board. Mr. Erskine then left Capt. Cutler and I in the corridor at the State, War, and Navy Building, and said that he was going to see Gen. Jervay.

We waited until his return, after which he advised us that he was going to attempt to see President Wilson, with the possibility of his arranging for an interview with Secretary Baker. This visit to the Secretary's office, and other events described above, preceded the signing of the specifications and the draft of the contract by Mr. Shank. During the next few days after the interview above mentioned I prepared the memorandum from the Chief of Construction Division to the Director of Operations, through the Office of the Surgeon General, dated September 9, 1918. Before writing this memorandum, estimates were prepared in the Construction Division to determine the actual cost of the work which was proposed to be done by the Shank Co. in their proposal of \$2,500,000. In addition to this, I requested and obtained from the real estate section of the Office of Director of Purchases and Supplies a valuation of the property. In making up the estimate of the cost of construction work included in the Shank proposal the fact that certain materials existed on the property which would be used in this construction work was taken into consideration. Careful reports had been obtained covering the condition of the water supply and sewerage systems; also the electrical service into the property. It was found that these were not sufficient to fully serve the new hospital project and an agreement was obtained from the Shank Co. to bring these facilities up to the full capacity required for the hospital without additional cost. In the estimate prepared therefor the Office of the Construction Division attempted to analyze the proposal made by the Shank Co. and to determine whether or not, assuming that the valuation made by the real estate section was correct; that the price to be paid by the Government for construction work was fair and reasonable. The analysis and estimate proved this to be the case to our satisfaction, and in the memorandum to the Director of Operations the Chief of Construction Division recommended that this proposal be accepted, and stated that in the opinion of the Construction Division the facilities could by this method be obtained quickly and at less cost than if they were to buy property in a similar location and develop the entire project. The memorandum referred to was forwarded to the Director of Operations, through the Office of the Surgeon General. The Surgeon General in turn indorsed it with his approval and forwarded it to the Director of Operations. The Director of Operations in turn forwarded it to the Assistant Secretary of War, recommending approval. The clearance papers from the War Industries Board were attached to this memorandum when it was presented to the Director of Operations. This memorandum was later returned to the Construction Division marked "Disapproved," by Mr. Crowell, the Acting Secretary of War. Under date of September 10 I received a telegram from the Shank Co. at Chicago, stating that they were proceeding with the work on the hospital as ordered and that they were much delayed by lack of material and assigning for priority orders. This was actually received in my office on September 11. I immediately wired the Shank Co. and referred to the telegram above referred to, that the Construction Division had ordered no construction work in connection with the Speedway hospital. I returned to Washington on October 2 after having been on travel orders through the West for approximately two weeks. On the morning of October 3 I was called by Mr. Hare to come to the office of the Assistant Secretary of War in the State, War, and Navy Building. At that time he informed me that Mr. Shank was in town and that Mr. Edward Hines, of Chicago, was also here and had stated that he was the principal owner of the Speedway property and that both he and Mr. Shank had gone ahead with the construction work on the Speedway hospital under orders received from the Construction Division. I was then asked to make a complete statement of the entire matter and also directly asked whether or not I did issue such orders. In reply to this I advised Mr. Hare that I did not issue

such definite orders, but that at the time of the conference in my office on August 31 it was very evident that all of the men interested, namely, Mr. Shank, Mr. Erskine, Mr. Schmidt, and Mr. Garden, were in a frame of mind where they felt absolutely sure that this project would be approved by the Secretary of War when presented. Under these circumstances I saw no reason why Mr. Shank should not return to Chicago and take preliminary steps toward organizing his forces in order to save time in case the project was approved. A day or so afterwards Mr. Hare, of the Assistant Secretary's Office, called me by telephone and advised me that after several conferences with Mr. Shank and Mr. Hines he had told them that they would be allowed to submit a new proposition which would cover the entire cost of the completed project, including all of the buildings required by the Surgeon General's Office, which were not covered by the Shank Co.'s proposal of \$2,500,000. In other words, this proposition was to include everything necessary to complete the construction work except such equipment as is usually furnished by the Surgeon General's Office. He further stated that he desired this proposal to be made through the Construction Division and that I should turn over to them such plans and specifications and information as they might need in order to prepare a proposal of this kind.

Mr. Shank and Mr. Hines then called on me at my office, and in the presence of Maj. O'Brien arrangements were made for turning over the necessary drawings, specifications, etc., requested by Mr. Hare. Under date of October 9, 1918, Mr. Hines and Mr. Shank called at my office and submitted the proposal above referred to. In this proposal of October 9 the Shank Co. agreed to complete the completed project at the original cost of \$2,500,000 plus \$653,036, covering the work not included in the original proposal. This made the entire cost under the new proposal \$3,153,036. They also agreed that if the Government preferred they would build the additional buildings on the basis of actual cost of construction, without any profit. In addition to this, they agreed that if the Government desired to dispose of this property inside of five years that the Shank Co. agreed to take it back for \$1,258,036, and that they would deposit that amount in liberty bonds with the Continental & Commercial National Bank of Chicago as a guaranty of the faithful performance of this agreement. In going over this proposition it was found that all items had not been completely covered, and in the conference above referred to it was suggested that a new proposal be prepared to cover the entire project as outlined in the memorandum submitted to the Shank Co. by the Construction Division. Under date of October 12 a new proposal was submitted in which the Shank Co. listed all of the buildings they proposed to build and which were found to be in accordance with the requirements of the Construction Division. The new proposition was in the amount of \$3,250,475. They again repeated their proposal to build the additional buildings for the actual cost, without profit or fee. They also repeated their proposal for repurchase on the basis that if the Government decided to sell the property within five years the Shank Co. would take it over at a price of \$1,296,211. They agreed to deposit this sum in liberty bonds with the Continental & Commercial National Bank of Chicago as a guaranty of the faithful performance of this agreement. This proposal was directed to the Secretary of War, attention Mr. Hare. The writer presented this memorandum to Mr. Hare in person without any written recommendation. At that time Mr. Hare requested that the Construction Division submit a memorandum giving their opinion of this last proposal. Under date of October 15 I prepared a memorandum from the Chief of Construction Division to the Assistant Secretary of War, attention Mr. Hare, stating that it was the opinion of the Construction Division that the amount of the proposal was a reasonable estimate of the actual cost of the work to be done, based upon the requirements submitted to the Shank Co. This memorandum further stated that the Construction Division believed it would be difficult to purchase property at a location similar to Speedway Park and build thereon the hospital accommodations similar to those covered by the proposal for the same amount of money. The memorandum further stated that the Construction Division had considered no other elements of this proposal other than those involved in the actual construction work, together with its cost. Shortly after this time Mr. Hare called me on the phone and asked if it was my understanding that Mr. Hines would agree to a further extension of the time in which the Shank Co. would be willing to repurchase the property. I called Mr. Hines on the telephone and was advised that they would be willing to extend this time to eight years. This information was immediately transmitted to Mr. Hare.

Q. Are there within your knowledge any other projects of construction which have received the approval and recommendation of the various departments whose approval is required in such matters that have not been sanctioned by the Secretary?—A. There are no projects of a similar nature in my recollection that have not been approved by the Secretary.

Q. Have any of the construction projects with which you have had to do in the Construction Division been actually begun before the formal approval of the contract by the Secretary of War?—A. I want to say that the Construction Division has been primarily responsible for all of the construction work for the Army in this country. Those projects largely originate from a very insistent demand from the various bureaus of the Army. The Construction Division, therefore, has been forced to keep very closely in touch with the actual requirements of these bureaus, and have in practically all cases known of the real urgency for certain work to be done in order to properly carry forward the war program. It is true that in some cases the work has started in the field before the actual formal approval of the Secretary of War. In all of these cases, however, the policy of the Secretary's office and of the director of operations as it applied to these construction projects has been thoroughly known by the officers of the Construction Division, and in no case where such work has been started and the judgment of the Construction Division exercised in so starting work has the secretary's office failed to approve such action. It must be clearly understood that the instructions to field forces in every case were to the effect that they should not exceed an expenditure of \$5,000 prior to the receipt of definite authority.

Q. As a matter of fact, though, you personally know of many cases where that has been exceeded?—A. I can not say that I do.

Q. What references were made in that final conference on the day that Mr. Shank put his name to the proposed contract, in regard to the urgency and necessity of getting to work on this project?—A. All of the men in the conference realized the necessity of starting this project as quickly as possible, provided it were to be completed before the severe weather which usually obtains in Chicago would seriously interfere with the completion of the project. In addition to this, the terms of the proposed agreement were to the effect that the work must be completed in 100 days. I knew that it would be a very difficult feat under the best conditions to complete a project of this magnitude in that short space of time, and that any preliminary steps which could safely be taken to prepare for this work would aid just that much in its final completion on time.

Q. Do you recall anything that was said to Mr. Shank or to Mr. Schmidt or Mr. Garden along those lines?—A. The conversation was general about those matters and no specific statements were made that I recollect, either to Mr. Shank or to the other men in the conference, with reference to immediately starting work.

Q. Are contracts, after approval, executed by Gen. Marshall?—A. Yes, sir.

Q. They do not require the signature of the Secretary to the contract?—A. No, sir. The form of contract is usually submitted, with the other papers, to the Secretary, and upon his approval the contract executed by the bureau chief.

Q. You said in the course of your testimony that Mr. Garden, of the firm of Schmidt, Garden & Martin, understood that if they did any work in the project before the approval of the contract that they would not be paid for it. Wasn't there some misunderstanding between Schmidt, Garden & Martin and the Construction Division in regard to that?—A. Not so far as I know, with respect to the question of their being paid.

Q. You knew that the Shank Co. was proceeding with the work before you got that telegram from the Shank Co. that you referred to, did you not?—A. Mr. Erskine advised me that they had gone ahead with the work.

Q. Were you not in receipt of communications and reports from Schmidt, Garden & Martin at the same time, showing the progress of the work?—A. One letter was received from Schmidt, Garden & Martin stating to what extent Shank had proceeded, and that he had been in their office and had been very anxious because no contract had been signed and no official approval received.

Q. The supervision of Schmidt, Garden & Martin has been of a character which would enable them to pass upon and approve the work that has been done up to this time, in case under any circumstances it should be decided to proceed with this project, was it not?—A. Mr. Schmidt, in answer to a direct question as to whether his inspectors had been on this work since it started,



advised that they had been there at his direction, for the reason that he felt that if the work was finally approved and a certain portion of it had already been built, that the Government would want to know that such work had been done in accordance with the plans and specifications.

Q. The approval of Schmidt, Garden & Martin under those circumstances would be adequate and satisfactory, would it not, if the work should progress?—A. From the standpoint of the Construction Division and its desire to know that the construction work had been properly carried out, it would.

Q. Then there would be no obstacles on that account if it should be decided to proceed with this work?—A. No, sir.

Q. Is Mr. Garden a competent expert hospital architect?—A. Mr. Schmidt is considered one of the best hospital experts in the Middle West, and Mr. Garden has been associated with him as a partner for several years. I am not able to state as to Mr. Garden's own individual qualifications as a hospital expert other than you might judge from his association with Mr. Schmidt.

Q. Did you go over these plans and specifications in detail as finally prepared?—A. I did not, personally. The opinion has been expressed in respect to the hospital as finally planned that it represented the most complete, up-to-date hospital construction of anything that had been attempted in this country.

Q. Do you think that that was the fact?—A. The hospital experts of the Surgeon General's office have stated to me that the final plans were thoroughly satisfactory to the Surgeon General's office in every respect. Our own experts on building construction have approved of it as being absolutely satisfactory.

Q. Did you ask Schmidt, Garden & Martin to obtain a valuation of the land?—A. Yes, sir.

Q. Do you recollect the value which they placed on it?—A. I received a wire from Schmidt, Garden & Martin under date of September 5, stating that they had good authority for a valuation of \$1,500 per acre.

Q. Was that the valuation placed upon the property by the report of the real estate division?—A. No, sir.

Q. What was their valuation?—A. \$600 per acre.

Q. Was the value of \$600 adopted in your final figures in presenting the matter to the Secretary of War?—A. In our memorandum to the Secretary of War we assumed that the valuation of the real estate section was for the land only without improvements. A rough estimate of the value of those improvements was made by our office and established at \$170,000, so that the total valuation of the land, in our opinion, including the facilities that could be used by the Government project, was \$362,000.

Q. Does anything further occur to you that should be stated in regard to this matter?—A. Only this, that it should be made perfectly clear that from the inception of this project in the Construction Division the Construction Division accepted Mr. Erskine as a representative of the parties in interest. This was never refuted by any of the parties with whom the Construction Division dealt until the conference held with Mr. Shank and Mr. Hines under date of October 5, 1918, at which time they advised us that Mr. Erskine had no connection whatsoever with either the Shank Co. or Mr. Hines.

Q. Did either Mr. Hines or Mr. Shank tell you at that time that they had regarded Mr. Erskine, by reason of his interest and activity in the matter, as connected with some Government department?—A. Mr. Shank stated that he had formed the impression that Mr. Erskine was connected with the Surgeon General's office.

Q. Are you able to express an opinion, taking into consideration the cost of the project, its location, and speed with which it could be completed, whether, if the Government is in need of a hospital in the vicinity of Chicago of a capacity that was provided for in these plans, how this project, as finally presented in the consolidated proposal, compares with the ability to reproduce such a project at any other place, and whether its acceptance would be sound from a business standpoint, and an advantage to the Government?—A. If I am permitted to express a personal opinion, aside from any official connection with this matter, I would like to state that I believe the Speedway project to be a splendid one for the Government at this time. I have in mind particularly the fact that the Government has built a great many temporary hospitals; has also taken over by lease existing buildings, all of which sooner or later must be abandoned. It would seem reasonable to me that in a center as large as Chicago there should be a permanent fireproof hospital, where the patients whose ailments or injuries are not easily corrected can be gradually shifted

from the temporary hospitals and leased buildings; that if such a permanent hospital is located where there is plenty of ground for recreation and for training of various kinds, that it should be a very distinctive advantage to the Government; that this permanent hospital could undoubtedly be used by the Government to very good advantage for a great many years after temporary structures and leased buildings are abandoned. I further believe, and have so stated several times, that it is my opinion as a construction man that it would be practically impossible to develop this project in accordance with the plans as laid down on property similar to that of the Speedway without its costing considerably more money and taking a great deal more time to complete. I want to add also that it must be clearly borne in mind that the analysis made of this project has been based largely on estimates of cost, and that estimating is not an exact science but is the opinion of the experts in our office of what the project should cost. Based on that analysis, it is the firm opinion of the Construction Division that there is very little possibility of any excess profits accruing to anyone from the construction of this work. To the contrary, this being a fixed contract involving a large amount of money, the present conditions under which construction work is done are so unsettled that the contractors might very easily run into considerable loss in building the project.

SEPTEMBER 2, 1918.

Mr. C. C. WRIGHT, Lieutenant Colonel,  
Construction Division, Quartermaster Corps, Washington, D. C.

DEAR SIR: Our Mr. Erikson returned to Chicago Sunday morning and started our engineers and draftsmen, whom we had instructed by wire to be in the office Sunday, also to-day (Labor Day), on the plans and calculations.

We soon found that we can save in the amount of concrete in the foundations without exceeding the soil pressure of 3,500 pounds per square foot, also in the quantity of reinforcing steel in the floor construction, and maintain the desired live load of 50 pounds and 20 pounds per square foot for partitions, i. e., 70 pounds everywhere, including wards, with the customary factors of safety.

We write to inquire if it is permissible to make such changes from the preliminary plans, provided that the contractor will make fair allowances for them, which could or should be expended for additional work or better materials for other portions of the buildings. It may be possible to obtain sufficient credit from above-mentioned and other items to obtain a tile roof instead of the roofing which is specified, viz, "CertaInteed" red roofing or equal, 3-ply, as manufactured by the CertaInteed Products Corporation.

*Inspection.*—We have in mind the placing of our Mr. John Dutcher on the job for supervising all pipe trades and other work of a mechanical nature, such as heating, plumbing, wiring, elevators, etc., and our Mr. Arthur Fitzgerald to supervise the building trades, such as masonry, reinforced concrete, concrete, plastering, painting, carpentry, etc., each with assistance.

These two men have had wide experience on work of the greatest importance, and their knowledge of the respective kinds of work, organization, and in the tact required to handle men is unequalled.

Is it the custom of your department to require architects who have performed work for it in the capacity in which we are to be employed to furnish complete supervision, and is this a portion of our cost for which we will be reimbursed?

If they are available, we would like to be supplied with the usual forms for preparing our expense-fund requisitions, also Army requirements of the nature of proof, i. e., must original bills for rent, light, supplies, wages, etc., accompany the requisitions?

How often are superintendents' progress reports required? Is any special form provided for them? To whom are they forwarded?

If you find it impossible to reply to these questions, your very kind attention will be appreciated.

Yours, very truly,

RICHARD E. SCHMIDT, GARDEN & MARTIN,  
Architects.

CHICAGO, September 4, 1918.

Lieut. Col. C. C. WRIGHT,

*Construction Division Quartermaster Corps, United States Army,  
Seventh and B Streets, Washington, D. C.*

(Re United States Army hospital.)

DEAR SIR: Pursuant to your telephone inquiry of the 3d instant., we inclose reports on water service, sewers, light and power, and transportation, from information gathered by us by examination and by inquiry of Alvord & Burdick, A. L. Drum & Co., public service, city, and village bureaus.

We trust that the data which we submit will supply you with the information you require. If we obtain any more, we will supply you with the information you require. If we obtain any more, we will transmit it promptly, and trust that you will command us if any further items occur to you for which you may need information.

We find that there is a wagon scale on the grounds, for which the writer estimated \$2,000 in the tabulation of auxiliaries and additions to the building structures left with you. Mr. Shank states that this will be left on the ground and will be the property of the Government.

We found yesterday that the 4-inch laminated speedway surface is quite badly decayed on the upper surface, and that a knife blade can be inserted for an inch to an inch and a half in very many places on the underside. It appears to us that this 2 by 4 inch material will, therefore, be of comparatively little value, and that the present owners may find it so difficult to separate and of such comparatively little commercial value that it may be a liability and not an asset, which may influence them in deciding not to remove it if the contract does not specifically require them to remove it from the premises. We therefore urge that the contract is examined to ascertain if it specifically requires them to remove it. If it does not, we recommend that a supplemental paragraph be drawn making it a condition in the performance of the contract that they remove it from the premises.

There is much valuable lumber in the grand stand and in the bleachers, which is no doubt an asset and so easily taken apart that they will no doubt remove it. There are probably 6,000 or 7,000 linear feet of sidewalk about 8 feet wide, the surface of which is principally 2-inch birch plank. Much of this has also suffered from rot, but a large quantity of it can be used for boarding between the rails of the switch tracks between the buildings for platforms, and some of it may possibly remain in place as sidewalk. The speedway lumber has suffered so much from decay in the two years in which it has been placed that the life of the track could hardly be estimated more than five years and required considerable expense for maintenance for the last three years of its life. We believe that this is the principal factor in the determination of the present owners to dispose of the property.

Mr. Shank has requested us to ask you to address a letter to the Portland Cement Association in New York immediately, instructing them to quote to him Government prices for the cement.

Since our Mr. Erikson's return from Washington on Sunday morning we have practically abandoned all of our civil work in favor of the hospital. Only our outside superintendents are engaged in the civil work, including the three members of the firm. We have 28 men at work on the plans, structural, electrical, mechanical, and plumbing experts, and our best outside men between the office and the grounds engaged on the hospital. This entails a daily expense for wages of at least \$175 without any amount for the remuneration of the firm, which is also constantly engaged in the work. We are, therefore, most anxious to receive advice that the work is authorized by the War Department. The above estimate does not include overhead.

Mr. Shank promised to have a hole dug so that we can examine the subsoil. We wish to see this ourselves without relying on information obtained from others. We have, however, learned from the sewer builder that he encountered blue clay in all of his excavations, and that he saw blue clay in every excavation made by other parties, some to a considerable depth. If Mr. Shank does not arrange to dig a hole at once, we will engage other parties to do so to-morrow. We are also handicapped by lack of exact elevations and levels of the natural surface of the grounds for the length of the hospital, for Twelfth Street, and the Illinois Central rails. We can probably obtain the elevations of

**MILITARY HOSPITALS.**

1213

Twelfth Street and the rails from the county engineer, under whose supervision Twelfth Street was paved, and of the tracks from the engineers of the railroad.

Please advise if we may employ an independent engineer for such work at the expense of the Government if we find such work necessary.

Yours, very truly,

(Signed) RICHARD E. SCHMIDT, GARDEN & MARTIN, *Architects.*  
By RICHARD E. SCHMIDT.

CHICAGO, September 4, 1918.

Lieut. Col. C. C. WRIGHT,  
*Construction Division,*  
*Quartermaster Corps, United States Army,*  
*Seventh and B Streets, Washington, D. C.*

Re United States Army Hospital:

DEAR SIR: Not having a copy of the offered contract for the buildings and structures embraced in the plans and specifications accompanying contract between the Government and the Shank Co., we are not prepared to give our interpretation in the matter of additional costs mentioned in the reports herewith concerning water service, sewers, light and power, such as extending water mains and for installing tank, tower, pumps, etc., for which we estimate on—

Page 3 .....	\$13, 500
Or boring and equipping an artesian well, estimated at .....	20, 000
Or laying an additional 2-inch sewer, estimated at .....	8, 500
And electric service, estimated at .....	12, 500
And transformers, compensators, etc., estimated .....	6, 400

An interpretation of the contract may result in finding that the Shank Co. must supply one or several of these items, in order to deliver a complete institution in accordance with good modern hospital construction and engineering practice.

I left a call for you by telephone at 1.30 to-day C. S. T. and stated that I would be in the office until 6.30. The long-distance operator advised me at 5.30 that your switchboard operator could not find you. I asked her to inquire at other offices to ascertain if you were in the building.

Mr. Shank called in our office at 4.30 this afternoon and stated that he expected that Capt. O'Brien would leave Washington last Monday night with the contract and that he is very much disappointed with the delay, fearing that if operations are not started at once he will be caught by cold weather before it is completed. He stated further that he telegraphed to Capt. O'Brien twice and has left several telephone calls to-day, but received no response, and that he has in mind notifying the department that he will withdraw his offer if it is not accepted at once.

Yours, very truly,

(Signed) RICHARD E. SCHMIDT, GARDEN & MARTIN, *Architects.*  
By RICHARD E. SCHMIDT.

CHICAGO, September 5, 1918.

Lieut. Col. C. C. WRIGHT,  
*Construction Division, Quartermaster Corps, United States Army,*  
*Seventh and B Streets, Washington, D. C.*

(Re acre value.)

DEAR SIR: In view of our conversation of this morning, the writer consulted Mr. A. F. McKeown concerning the value of the property. Mr. McKeown has dealt largely in acre property in large holdings for prominent citizens, such as Mr. A. Montgomery Ward, Mr. Thomas E. Wilson, and on his own account. He is well acquainted with the tract in question, and claims to have sold a portion of it to the Speedway Park Association. He stated that he sold one portion for \$1,200 per acre and another for \$1,000, and he placed the writer in communication with Mr. Walter G. Goodrich, a capitalist. Mr. Goodrich stated that Mr.

Shank approached him at the inception of the project, to make a loan and that he (Mr. Goodrich) offered to lend \$750 per acre. Both Mr. Goodrich and Mr. McKeown state that \$1,500 per acre net is fair to assume as the value.

Mr. Hubert W. Butler, dealer in subdivision real estate, who is acquainted with the tract, but is not operating in that locality, secured the following figures for us. He states that the Cook County board of assessors have assessed the value of the 320 acres at \$64,740, which is very easily explained; i. e., the surrounding land is farm land and can not bear industrial or housing valuations, and it is common knowledge that farm lands are not taxed as high as they should be; the existing improvements at \$446,050. The taxes for 1917 were paid by E. H. Thomas, 2431 South Lincoln Street, which is also the address of Edward Hines Lumber Co.

The taxes for improvements and land amounted to \$12,890.79. Inasmuch as taxes are about 1 per cent of the sound value of real estate in this county, the taxes indicate a total value of \$1,250,000, and taxes always err, if at all, on the low side.

Mr. Erskine is in the city to-day, and we understand that he is having Mr. Portonto, of the central manufacturing district; Mr. Louis T. Jamme, of the Chicago Clearing Land Association; and Mr. Frederick H. Bartlett, a prominent operator with large subdivision projects, examine the tract this afternoon.

Whatever the real value of the land may be we consider this point negligible, for the reason that, in our opinion, it would be impossible to produce the improvements embraced in the contract for less than \$2,500,000.

We have considered the costs carefully and arrive at the following:

6,904,000 cubic feet of fireproof buildings, at 31 cents-----	\$2, 140, 240
913,000 cubic feet of wood buildings, at 20 cents-----	182, 000
Almost 3 miles of fence and gates-----	90, 000
Water pipe-----	80, 000
Sewers and drains-----	20, 000
Tank and tower-----	10, 000
Grading and seeding-----	20, 000
Roads-----	24, 000
Total-----	2, 511, 840

(Re additional trains and depot.)

Mr. Umshler, terminal superintendent for the Chicago district of the Illinois Central Railroad, stated that the railroad can easily arrange for more trains than shown on the time table sent to you, if 2,500 to 3,500 people are housed on the tract. He was not so certain that the railroad company would build a depot at once, but this would not be an expensive matter.

Yours, very truly,

RICHARD E. SCHMIDT, GARDEN & MARTIN,  
Architects.

By RICHARD E. SCHMIDT.

CHICAGO, September 5, 1918.

To Lieut. Col. C. C. WRIGHT,

Construction Division, Quartermaster Corps, United States Army,  
Seventh and B Streets, Washington, D. C.

Have good authority for a valuation of \$1,500 per acre. But whatever the value of the land we consider it negligible, for we have carefully reestimated cost to-day of new building, fence, water pipe, sewer, tank, grading, and roads in place at two and one-half millions. Letter follows.

SCHMIDT, GARDEN & MARTIN.

CHICAGO, September 5, 1918.

Gen. ROBERT E. NOBLE,

Surgeon General's Office, United States Army, Washington, D. C.

DEAR SIR: Notwithstanding that the preparation of plans and specifications has not been authorized, we are proceeding with them in order that the completion of building will not be delayed, and take the liberty of addressing you concerning the sterilizers. We understand that you prefer electric instrument, utensil, and water sterilizers for the operating department and wherever such

apparatus are to be installed, and write to ask if this is correct, so that the specifications may be written accordingly.

Inasmuch as the hospital is to be completed in 100 days from the date of the contract, and a portion of it may be used earlier, the possibility of delivering electric sterilizers in the times stated will no doubt be investigated; or, if electric sterilizers can not be obtained, if steam-operated apparatus can be secured and you decide to have them installed under the terms of the contract which has been submitted, the Shank Co., the builders, must install electric wiring or high-pressure steam piping for the operation of sterilizers, but not both. The contractors are preparing to place orders for material and labor as soon as they are notified that the contract has been signed, and are pressing us to decide on electricity or steam.

Please have the matter investigated and inform us of your decision at your early convenience.

Yours, very truly.

RICHARD E. SCHMIDT, GARDEN & MARTIN,  
*Architects.*

CHICAGO, September 5, 1918.

Lieut. Col. C. C. WRIGHT,  
*Construction Division, Quartermaster Corps, United States Army,  
Seventh and B Streets, Washington, D. C.*

DEAR SIR: Mr. Shank has agreed to build the new sanitary sewer, which we estimated to cost from \$8,500 to \$9,000, and described on page 4 of our report of September 4. This item can, therefore, be stricken from the additional items.

To-day we received a proposal from the Sanitary District of Chicago for electric current. They state that the nearest point on their circuit is 1.5 miles away and not of sufficient capacity to handle an extra 300 kilowatt load. Their operating engineer reports that the material and labor required for reinforcing old circuit and new extension probably cost \$25,000, which is considerably more than the estimate of the Public Service Co. The sanitary district states further that their Lockport plant is being operated at full capacity during the winter months.

We failed to state yesterday that the Public Service Co. will return the cost of making extensions for power purposes to owners. Please note that this refers to extensions for power service and not for light service.

Yours, very truly.

RICHARD E. SCHMIDT, GARDEN & MARTIN,  
*Architects.*

WAR DEPARTMENT,  
OFFICE OF THE CONSTRUCTION DIVISION,  
Washington, D. C., September 6, 1918.

From: Lieut. Col. C. C. Wright, Engineering Branch.  
To: Richard E. Schmidt, Garden & Martin, 104 South Michigan Avenue, Chicago, Ill.

Subject: Proposed General Hospital, Speedway, Chicago.

1. Receipt is acknowledged of your letter of September 2, 1918.
2. With reference to the question of making certain changes which do not involve additional cost, you are advised that this matter will rest entirely in the hands of the constructing quartermaster, who will be advised in all matters of this kind by the architects.
3. With reference to the matter of inspectors, it is the opinion of this office that the two men which you mention in your letter will be able to take care of the inspection of this work. They will be allowed such assistance as may be deemed necessary by the constructing quartermaster.
4. The question of superintendent's progress reports will also be determined by the constructing quartermaster.
5. With reference to the forms for turning in your own costs on this work, you are advised that there are no specific forms established by this office. It is necessary that you submit to the constructing quartermaster your pay roll, receipted by the various employees; also receipted bills covering the other expenditures which apply directly on this work.

C. C. WRIGHT,  
*Lieutenant Colonel, Quartermaster Corps.*

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MILITARY HOSPITALS.

SEPTEMBER 9, 1918.

Col. C. C. WRIGHT,  
*Quartermaster Corps, Washington, D. C.*

DEAR COL. WRIGHT: We have been rushing a big force on the plans ever since last Sunday, and will probably produce them at a cost so much lower than anything the Government has experienced on a basis of cost plus a fee for architects' services that it has occurred to me that perhaps you will take that into consideration in determining the fee in our case. We will probably be through with the main building a week from to-morrow.

Yours, very truly,

RICHARD E. SCHMIDT, GARDEN & MARTIN,  
By HUGH M. G. GARDEN.

Mr. Garden wrote above in long hand and sent special delivery.

H. E. HEISSE.

CHICAGO, September 9, 1918.

Lieut. Col. C. C. WRIGHT,  
*Engineering Branch, Office Construction Division, Washington, D. C.*

DEAR SIR: 1. We acknowledge receipt of your letter of September 6, 1918, and have noted contents.

2. The writer went to the site this morning and found upward of 200 men at work. Up to 8 p. m. to-day almost 500 feet, or one-quarter of the seating of the grand stand, had been removed; about 250 feet of excavating; and concrete foundation laid for its exterior wall at the north end.

The Shank Co. started a second gang of wreckers at the south end of the stands this morning, and expect to have a third gang begin in the middle of the remaining portion to-morrow morning.

Crushed stone, sand, and cement are being delivered by large trucks.

3. The Shank Co. are securing proposals for cut-stone window frames, steel, and other windows. We do not know if they will order these before knowing if the contract has been signed.

4. Please advise us if the following title is satisfactory:

United States Army General Hospital,  
Broadview, Cook County, Ill.

Prepared for the  
Surgeon General's Office, U. S. A.,  
& Construction Division, U. S. A.,  
by

Richard E. Schmidt, Garden & Martin }  
& } Associated Architects.  
H. B. Wheelock }

104 South Michigan Avenue, Chicago, Ill.

6. The writer noticed this morning that the surface line mentioned in the third paragraph, first page, of our report of September 4, 1918, caption "Transportation," does not terminate at the Haywood Station of the Aurora, Elgin & Chicago Third Rail Line at point marked "4" on map "B."

7. The line on Fifth Street ends at Madison Street, or 1 mile north of Twelfth Street. The report of September 4 was based on the writer's observations, and when dictating the report he had a mental impression that he saw rails in Fifth Street between Madison Street and the Aurora, Elgin & Chicago Third Rail Line.

Yours, very truly,

RICHARD E. SCHMIDT, GARDEN & MARTIN, *Architects.*

8. We attach clipping from the Chicago Sunday Tribune, of 8th instant, referring to the hospital.

SEPTEMBER 10, 1918.

Lieut. Col. C. C. WRIGHT,  
*Construction Division, War Department, Washington, D. C.:*

Please send unsigned copy of Shank contract. Need information therein to specify fully.

SCHMIDT, GARDEN & MARTIN.

WAR DEPARTMENT,  
OFFICE OF THE CONSTRUCTION DIVISION,  
Washington, D. C., September 14, 1918.

From: Chief of Construction Division.

To: Richard E. Schmidt, Garden & Martin, 104 South Michigan Avenue, Chicago, Ill.

Subject: Proposed hospital at Speedway Park, Maywood, Ill.

1. Receipt is acknowledged of your letter of September 9, 1918, in reference to the above matter.

2. In connection with paragraph 4 of your letter, you are advised that this office has requested the Surgeon General to advise of the official name and number of the proposed general hospital at Speedway Park.

3. It is noted that your title shows the plans to be prepared by Richard E. Schmidt, Garden & Martin and H. B. Wheelock, associated architects. It is distinctly understood that Mr. Wheelock is not associated with Richard E. Schmidt, Garden & Martin on this work, and in no way employed by the Construction Division. It is, therefore, requested that this name do not appear on any of the drawings to be prepared by your office.

4. You are advised that although definite authority has not been granted for this work to proceed, that the papers have been before the War Industries Board for several days in connection with the clearance of the project. It is hoped that a definite settlement will be arrived at within the next day or two, so that full authority can be granted in connection with the work.

R. C. MARSHALL, Jr.,  
Brigadier General, United States Army,  
Chief of Construction Division.  
By C. C. WRIGHT,  
Lieutenant Colonel, Quartermaster Corps.

WAR DEPARTMENT,  
OFFICE OF THE SURGEON GENERAL,  
Washington, September 16, 1918.

RICHARD E. SCHMIDT, GARDEN & MARTIN,  
Architects, Chicago, Ill.

GENTLEMEN: Replying to your letter of September 5, in regard to electric and steam sterilizers, the Acting Surgeon General directs me to inform you that the medical supply depot can furnish high-pressure steam sterilizers within the specified time. Therefore, provision should be made in the general hospital for high-pressure steam sterilizers wherever they are required.

Yours, very truly,

FLOYD KRAMER,  
Lieutenant Colonel, Medical Corps, United States Army.

WAR DEPARTMENT,  
OFFICE OF SURGEON GENERAL,  
Washington, September 21, 1918.

RICHARD E. SCHMIDT, GARDEN & MARTIN,  
Architects, Chicago, Ill.

Attention of Mr. Garden.

GENTLEMEN: The plans submitted (sheets 1 to 44, inclusive, dated September 14, 1918), for the proposed Army hospital to be located in Chicago are satisfactory as to hospital requirements with the following exceptions:

1. The mechanical specifications, including heating, plumbing, electric, etc., were not submitted with a set of plans and general specifications. Mechanical equipment for this hospital should have steam, water, waste, and electric connections of the same requirements as shown on the plan for Camp Knox, West Point, Ky.

Sheet No. 1.—Change the arrangement of the officers' and nurses' buildings and the Hospital Corps detachment barracks.

Arrange doors to stair halls so as to prevent interference.

Provide bracket outlets for night lighting in all corridors and connect with circuit to stair halls. Separate circuits from general lighting circuits.

Plan E-3.—The eye, ear, nose, and throat department to be moved to present location of the jaw section and dental department.



The service rooms in connection with the eye, ear, nose, and throat department, Plan F-3, to be placed in the eye, ear, nose, and throat department space, as shown on E-3.

The dental department to be moved opposite the X-ray department, plan F-3. The field room to be 7 feet 6 inches wide; the refraction room to be 24 feet wide.

Provide an eye-treatment room 18 by 20 feet wide.

Omit one of the lavatories in the recovery room.

In the new arrangement of the eye, ear, nose, and throat department, the nurses' workroom should be adjacent to the sterilizing room with door to sterilizing room. The nurses' dressing room to be adjacent to the nurses' workroom.

The waiting room in this department should be at least 20 feet wide.

Windows in the eye, ear, nose, and throat operating room should be provided with shade boxes.

Change the location of the surgeons' sink in the eye, ear, nose, and throat operating room and place the wash sink at rear room.

Cocaine operating room should be 5 feet 6 inches wide.

The jaw department will be in the same relation to the dental department, as shown on plan in the new arrangement.

*Plan E-4.*—Interchange one of the anesthetic rooms with the wash-up room and provide door from wash-up room (in the new location) to operating room and one to anesthetic room.

Provide surgeons' sinks in each operating room as shown.

*Plan F-3.*—Provide two fluoroscopic rooms near the X-ray department, approximately 12 feet by 16 feet.

Provide door to dark room in X-ray department.

*Plan F-4.*—Interchange wash-up room with the recovery room adjacent to the sterile-supply room, placing the two recovery rooms together and making the wash-up room more convenient to operating room.

Enlarge waiting room next to elevator hall by removing the partition and placing a door directly from elevator hall to waiting room.

Door from waiting room to record room to be placed in center of room with side lights on each side as shown on plan.

*Administration building.*—In post office provide letter case as shown.

*Receiving building.*—Omit the observation ward or suspected patients' ward. Provide direct entrance from receiving platform to hospital.

Rearrange plans so as to give one large office for incoming patients and outgoing patients.

Omit disinfecting rooms and disinfector. The disinfector in laundry will be able to do this work.

Arrange clean line issue direct into undressing room.

Storeroom for personal effects should have provision for 2,500 lockers. Drug storage should have but one from which shall be from dispensary.

*Plan D-1.*—See revised plan on line of travel in cafeteria arrangements in mess hall.

Detail for Freiburg ventilators, reverse louvres as shown on detail.

Omit doors to showers.

*Laundry building.*—Use laundry building, plan Q-3, additions for disinfecting room, mending, and linen exchange.

Laundry should have equipment as per schedule D.

Request that plans revised, as described above, be submitted for approval.

Yours, very truly,

FLOYD KRAEMER,

*Lieutenant Colonel, Medical Corps, United States Army.*

CHICAGO, September 23, 1918.

Col. WILLIAM A. STARRETT,  
*War Industries Board, Washington, D. C.*

DEAR COLONEL: In view of the many elements of this hospital project which we discussed in Chicago, and feeling that I may have failed to present some of them clearly, I take the liberty of transmitting a number of them in writing.

You will note on the two data sheets that the cost per bed, and we include nurses and help where these have been provided in the hospital, varies with the cubic-foot cost and the number of cubic feet per bed in the building. The

high cubic footage per bed in the Henrotin is due to this hospital having only single-bed spacious private rooms, likewise the LaFayette Hospital.

The power house, kitchens, outpatients, bath, operating and laundry departments of the Illinois Central Railroad Chicago Hospital were built to serve three times (over 400) the number of beds (115) now constructed; the remainder will be built in the near future and reduce the cost per bed considerably.

Some of the older buildings are of skeleton steel construction, which accounts for their high cubic-foot cost; a low number of beds does the same and conversely a comparatively large number, as in St. Anne's, Michael Reese, and Psychopathic, is the cause of a comparatively low cost per bed.

Hospitals with only large wards, a few single-bed rooms, such as the Oak Forest T. B. and military hospitals, again result in low costs per bed and also low cubic-foot units.

The increased cost of buildings in the past 20 years naturally appears in the data, but none of this has been discounted by the greater use of reinforced concrete standardizations and more general cheapening by shop productions of many items which were formerly specially produced or made in the field.

The 2,076-bed military hospital which we planned last March, a six-story reinforced concrete structure similar to the Speedway Park plans, would have cost \$970.75 per bed, including \$150,000 for accounting and architects' fee; a boiler house, laundry, and morgue included, but no accommodations for staff, nurses, or hospital corps detachment. Wells Bros. Co., John Snyder, and Blome-Sinek Co. tendered bona fide proposals for the general work, and we obtained separate proposals for heating, ventilating, plumbing, wiring, elevators, and all other pipe and mechanical trades or items.

The structures contained 6,488,000 cubic feet at 21.06 cents, including accounting, quantity survey, and architects' fees mentioned above, or 29 cents without these.

I estimate that the increase in building costs has been at least 10 per cent since March, so that the cost would be at least 34.16 or 31.9 cents, respectively, at this date.

The only difference, and a minor one, between this plan and the Speedway Park project is that the first was to have a fireproof flat roof and the Speedway Park Hospital is to have a 4th-story ceiling of fireproofed structural beams, and suspended-wire lath and plaster, and a pitched-wooden roof.

I can state with complete confidence based on my varied experience in hospital building and my analysis of all heights and methods of construction that a hospital of equal capacity, facilities, quality, and of fire-resisting construction can not be produced for lower costs per unit, either bed or cubic foot, whatsoever any other architect may state; if he does so, his statement is based on a guess and not on actual performances or on bona fide plans, specifications, and contractors' proposals.

In the instance of the Shank Co., they are possibly in a position to build the Speedway Park Hospital for a somewhat lesser cost by their and their conferees' superior credit, buying power, switch-track facilities, best of foundation soil, no expense for spoil disposal and the vast amount of lumber, also of several hundred tons of steel on the ground, which is at their disposal for use in the construction of the new buildings.

We calculated the cubic contents of all of the buildings embraced in the Shank Co.'s proposal to-day and find the following:

Fire resisting construction:		Cubic feet.
Main building .....		8,900,000
Administration building .....		169,000
Boiler and pump building .....		221,000
Tunnels .....		8,900
Total .....		7,298,900
Frame and stucco:		
Corridors .....	238,400	
Kitchen .....	120,000	
Receiving .....	137,300	
		495,700
Total .....		7,797,600

Heights taken from under sides of lowest floors to average height of the roofs.

The tabulation results in the following:

Fireproof buildings, about 7,800,000 cubic feet at 80 per cent-----	\$2, 180, 000
Wood-construction buildings, exteriors of metal lath, and cement plaster, about 500,000 cubic feet at 22 cents-----	100, 000
Sound value and cost when new-----	2, 280, 000
Balance as value of land and other improvements-----	210, 000
Total-----	2, 500, 000

These figures indicate to me that the proponents are willing to take a loss to dispose of this holding and account, to avoid annual taxes on the land, and have the use of the money they will receive for it if the proposed offer is accepted and performed.

It will afford me great pleasure to submit any further data I may have to you and our Government to assist in arriving at the best solution of this and other problems attending our determination to bring the war to a speedy and victorious termination.

Yours, sincerely,

RICHARD E. SCHMIDT.

SEPTEMBER 16, 1918.

R. C. MARSHALL, Jr.,

*Brigadier General, United States Army,*

*Chief of Construction Division, 7th and B Streets, Washington, D. C.*

Attention Col. C. G. Wright.

DEAR SIR: Re United States General Hospital:

Under separate cover we are sending three sets of blue prints describing the mechanical equipment required in the United States Army General Hospital, which is now being erected at the Speedway, immediately west of Chicago, and hope that you will be able to advise us as to whether these layouts meet with your approval.

Under separate cover we are also sending three copies of the specifications describing the mechanical equipment, all of which are enumerated below:

1. Special instructions to mechanical trades.
2. Plumbing.
3. Electric.
4. Steam fitting.
5. Ventilating.
6. Elevator equipment.

The above-mentioned specifications cover all of the mechanical branches with the exception of sterilizer equipment, kitchen equipment, and laundry equipment, all of which we understand will be described and purchased later.

If there are any corrections to be made in our specifications, we hope you will advise us promptly.

Yours, very truly,

RICHARD E. SCHMIDT, GARDEN & MARTIN,  
*Architects.*

By H. A. DUBB.

Copy.

SEPTEMBER 26, 1918.

R. C. MARSHALL, Jr.,

*Brigadier General, United States Army,*

*Chief of Construction Division, Washington, D. C.*

Attention C. C. Wright, Lieutenant colonel.

DEAR SIR: Re United States General Hospital:

There are numerous mechanical questions involved in the construction of the United States Army general hospital at the Speedway, immediately west of Chicago, and we hope that answers can be given to us either by mail or in person (if someone can be sent to Chicago to confer with us). It is possible that the surgeon's office should be called in to advise us regarding some of the items enumerated below:

1. Submit drawings to us showing the exact size of each piece of kitchen equipment, the general construction, details, and locations of the various services, such as steam and water pipe and electric outlets.

2. The same information should be submitted to us in regard to the laundry equipment.

3. The same information should also be submitted regarding the sterilizer equipment, which we assume will be heated by high pressure steam.

4. Instead of locating the ice-machine room in the basement of the kitchen, we think it best to have this machinery located in the pump room, so it can be under the eyes of the engineer. This, of course, would eliminate a portion of the excavating required under the kitchen and make it necessary to take care of an added amount of excavation adjacent to the pump room.

5. Should this machine be ample in size to take care of the kitchen equipment refrigerators only, or should it be increased to take care of any of the following services:

(a) Ice making.

(b) Morgue.

(c) Drinking-water cooler.

6. We are proceeding with this project on the assumption that no gas will be provided on the premises.

Hoping that the above questions can be settled promptly so that we, in turn, may instruct the contractor as to how to proceed, we are,

Yours, very truly,

RICHARD E. SCHMIDT, GARDEN & MARTIN, *Architects.*  
By H. A. DURR.

OCTOBER 9, 1918.

Lieut. Col. C. C. WRIGHT,

*Construction Division, Quartermaster Corps, United States Army,*

*Washington, D. C.*

DEAR COL. WRIGHT: I am writing you personally in regard to compensation for our work in order to get your opinion as to what we should do, and what the Construction Division can do for us. As matters stand, we have put about \$9,000 into the Speedway, Fort Sheridan, West Baden, Cooper-Monatag, and other projects. In addition, we are continuing work on all of these hospitals, and Mr. Schmidt, as a member of the board to acquire hospitals, is paying his own expenses. Our funds are low, and as yet we have no arrangements for receiving anything from the Government.

Will you please write me frankly of where we stand and on the Speedway, and outline for me completely, if possible, as soon as you can, arrangements to the other projects.

Yours, very truly,

HUGH M. G. GARDEN.

WAR DEPARTMENT,  
OFFICE OF THE CONSTRUCTION DIVISION OF THE ARMY,  
*Washington, D. C., October 12, 1918.*

RICHARD E. SCHMIDT, GARDEN & MARTIN,  
*104 South Michigan Avenue, Chicago, Ill.*

Attention Mr. Garden.

DEAR SIR: Receipt is acknowledged of your favor of October 9 taking up the question of contract for fees on the work with which you are connected for the Government.

With reference to the Speedway hospital, you of course understand that no contract for services can be made on this project until the same has been officially authorized by the Secretary of War. The owners of the Speedway are still working on this matter, and a definite conclusion with reference to it should be reached some time this week.

In connection with the work at Fort Sheridan, West Baden, and other work in Chicago, you are advised that a contract will be prepared at once and forwarded to you for your signature.

A separate contract will also be prepared covering services of Mr. Schmidt on the board for acquiring hospitals.

Yours, very truly,

C. C. WRIGHT,  
*Lieutenant Colonel, Quartermaster Corps.*

Minutes of a special meeting of the board of directors of the Shank Co., a corporation of Illinois, duly called and held at its principal office at Chicago, Ill., at the hour of 10 o'clock a. m. on the 18th day of September, 1918, pursuant to the following waiver of notice of meeting:

We, the undersigned, being all of the directors of the Shank Co., hereby waive the notice of this special meeting to be held this 18th day of September, 1918, at the hour of 10 o'clock a. m. at the principal office of the company in Chicago, and consent to the transaction of such business as may come before the meeting, and particularly the business of ratifying and confirming the action of George H. Shank, president of this company, in executing and delivering a certain contract for the sale and conveyance of the premises known as the "Speedway" therein described, and for the construction of a hospital thereon for the United States Government, the signing, sealing, and delivery of a bond in the penal sum of \$1,250,000, and matters with relation to architects' services in connection with the construction of said hospital, all of which are fully set forth in the resolutions appearing in the minutes of said meeting of which this waiver is made a party.

GEORGE H. SHANK.  
CHARLES L. SHANK.  
F. H. FOSTER.

The meeting was called to order by the president, and the following directors found to be present, being all of the directors of the company: G. H. Shank, F. H. Foster, and Charles L. Shank.

Thereupon, on motion duly made, seconded, and unanimously carried, the following resolutions were adopted:

*Be it resolved*, That the action of George H. Shank, president of this company, in executing and delivering that certain contract for the sale and conveyance of those certain lands therein described and for the construction of a hospital upon said lands be, and is hereby, ratified and confirmed; and the said president is hereby authorized to execute, sign, seal, and deliver a bond as required by said contract in the penal sum of \$1,250,000.

And whereas it appears that, during the negotiations leading up to the signing of said contract, at the request of the president of this company, Hugh M. G. Garden, an architect of the firm of Richard E. Schmitt, Garden & Martin, of Chicago, performed certain services in connection with the preparation of the preliminary plans and specifications: Be it therefore

*Resolved*, That the action of the president in releasing the services of said Hugh M. G. Garden and agreeing that said Hugh M. G. Garden and the firm of Richard E. Schmitt, Garden & Martin may be retained as architects by the Government be, and the same is hereby, ratified and confirmed.

There being no further business to come before the meeting, same was adjourned.

F. H. FOSTER, *Secretary*.

Be it remembered that at a meeting of the board of directors of the Shank Co., a corporation of Illinois, duly called and held at its principal office at Chicago, Ill., on the 18th day of September, 1918, the following resolution was adopted:

*Be it resolved*, That the action of George H. Shank, president of this company, in executing and delivering that certain contract for the sale and conveyance of those certain lands therein described and for the construction of a hospital upon said lands be, and is hereby, ratified and confirmed; and the said president is hereby authorized to execute, sign, seal, and deliver a bond, as required by said contract, in the penal sum of \$1,250,000.

And whereas it appears that, during the negotiations leading up to the signing of said contract, at the request of the president of this company, Hugh M. G. Garden, an architect of the firm of Richard E. Schmitt, Garden & Martin, of Chicago, performed certain services in connection with the preparation of the preliminary plans and specifications. Be it therefore

*Resolved*, That the action of the president in releasing the services of said Hugh M. G. Garden and agreeing that said Hugh M. G. Garden and the firm of Richard E. Schmitt, Garden & Martin may be retained as architects by the Government be, and the same is hereby, ratified and confirmed.

I, F. H. Foster, the secretary of the Shank Co., do hereby certify that at a meeting regularly called of the board of directors of the Shank Co., held in

accordance with the by-laws of said corporation, at its principal office at Chicago, on the 18th day of September, 1918, the foregoing resolution was unanimously passed, as appears from the records of said corporation.

In witness whereof I have hereunto subscribed my name as secretary and have caused the corporate seal of said corporation to be hereto affixed this 18th day of September, A. D. 1918.

[SEAL.]

F. H. Foster, *Secretary.*

EXHIBIT 18.

RECORD OF EXAMINATION OF MR. CONRAD H. POPPENHUSEN, NOVEMBER, 1918..

Mr. Poppenhusen, first duly sworn by the inspector, was interrogated as follows:

Q. What is your name?—A. Conrad H. Poppenhusen.

Q. Where do you reside?—A. Evanston, Ill.

Q. What is your occupation?—A. I am an attorney at law and a member of the law firm of Newman, Poppenhusen, Stern & Johnston.

Q. How long have you practiced your profession?—A. I have practiced my profession at Chicago for 25 years.

Q. Do you know Mr. Milton Trainor? If so, how long have you known him?—A. I have known Mr. Milton Trainor for several years, but my acquaintance with him has been very slight.

Q. Were you present at an interview in your office in the Lumber Exchange Building, the spring or early summer of 1918, at which the subject of commissions to be paid to Mr. Trainor or his partner, Mr. Clark, was discussed? If so, please tell me what occurred at the interview, and especially as to what was said by Mr. Newman, by Mr. Trainor, and by yourself.—A. Some time in the summer of 1918 my partner, Jacob Newman, asked me if I knew Mr. Trainor. I told Mr. Newman I had known Mr. Trainor slightly for a long time. Mr. Newman then told me that Mr. Trainor was about to come to our office to talk over a claim which Mr. Trainor thought he had against Edward Hines for commissions or services in connection with the sale of the Speedway Park property to the United States. This interview took place in my private office. When Mr. Trainor came in he told us in substance that he believed this was an opportune time, to avoid future misunderstandings, to determine definitely his compensation for services in the efforts he had made to sell the Speedway Park property to the United States. Mr. Newman then asked Mr. Trainor whether he was in the Government service, and when Mr. Trainor answered that he was Mr. Newman pointed out to him certain provisions of the United States Penal Code relating to Government officers receiving pay or other compensation from persons with whom they dealt. Mr. Trainor in reply attempted to state his case, but Mr. Newman, interrupting, told Mr. Trainor that if he took any compensation he, as well as the man who paid the money, would be sure to go to the penitentiary. Mr. Newman then stated to Mr. Trainor that if he thought any money was to be paid or offered to any Government officer in connection with the Speedway Park matter, he (Mr. Newman) would have no more to do with the case and would himself lay the whole matter before the Government. Mr. Newman was quite rough and very outspoken to Mr. Trainor on the subject of his receiving any pay while he was in the service of the United States Government. Mr. Trainor stated that he thought that he was entitled to be paid for the work he had done before he entered into the service of the United States Government; that he was not disqualified to make an agreement for his compensation for service rendered, as he had not taken his oath of office. In reply to this suggestion both Mr. Newman and myself told Mr. Trainor that the fact or circumstance to which he referred made no difference whatever, and that he could not under any circumstances take any money while he was an officer of the United States Government, whether the service had been performed before or after he entered into the employment of the Government. Mr. Trainor said that he supposed we were right, as we were lawyers, and as he was going to work for the Government for a dollar a year because of his desire to be of service, he would cheerfully, though unexpectedly devote his claim for commissions to the cause.

Later on I saw Mr. Trainor in company with his copartner, Mr. Wallace Clark, and this subject was again discussed by Mr. Clark. I do not now recall whether this conference took place on the same day or a day or two later, but

I recall the fact that Mr. Clark wanted to know if an agreement to pay commissions could not be made with him individually instead of with Mr. Trainor or the firm of Clark & Trainor. Mr. Newman was present and asked Mr. Clark whether he and Mr. Trainor were still copartners, and when Mr. Clark replied that they were Mr. Newman told him that any agreement for the payment of compensation, whether to Mr. Trainor or to Mr. Clark, under the circumstances would be a criminal offense.

About the time the foregoing interviews took place, but I can not now say whether before or after, I saw Mr. Trainor at our office, and, I believe, George H. Shank, Architect Wheelock, Mr. Newman, Mr. Foster, and some other gentlemen were present. My recollection as to who was present is not very definite. At this meeting Mr. Trainor did about all the talking. He thought it doubtful whether the Government could be interested in the Speedway Park project unless a picture could be painted that would furnish much more detailed information about the property in concise shape. Mr. Trainor also said that J. Ogden Armour, James A. Patten, and other wealthy Chicagoans had offered to advance the sum of \$1,000,000, or more, as a donation for building a hospital if the same was built on the Cub Ball Park site, located on the West Side, in the city of Chicago, provided the United States Government would agree to turn over the hospital to Northwestern or Illinois University at the close of the war, and my recollection is that something was said about Dr. Billings in connection with this hospital. I was not in the room the whole of the time this conference took place, and therefore am unable to say what other subjects were discussed. I recall the fact that Mr. Trainor stated that congressional legislation was necessary and that without such legislation there were no funds available for hospital purposes except the emergency fund under the control of the President. In the course of this discussion Mr. Trainor stated that he thought the Speedway Park project was a splendid proposition for the Government, especially in view of the fact that a fireproof hospital with 2,500 beds, 320 acres of land included, would be given to the United States Government for \$2,500,000, when it was known that temporary, non-fireproof hospitals contemplated by the Government would cost as much, if not more, per bed.

(The foregoing evidence, having been read over by Mr. Poppenhusen, is subscribed and sworn to by him this 13th day of November, 1918.)

CONRAD H. POPPENHUSEN.

#### EXHIBIT 19.

STATE OF ILLINOIS,

*County of Cook, ss:*

Frank H. Foster, being first duly sworn, doth depose and say as follows:

I am now, and for several years last past have been, the secretary and treasurer of the Speedway Park Association, a corporation organized under the laws of the State of Illinois, and as such secretary and treasurer I have charge of the books and records of the Speedway Park Association and am personally familiar with the expenditure of the money for the purchase of the 320 acres of land at one time owned by the association and the making of the improvements in and about said Speedway Park.

In the fall of 1917 the Speedway Park Association was indebted to numerous creditors and was unable to pay its debts, including several judgments which had been recovered against it. For the purpose of discharging the foregoing debts and liabilities and releasing the association and its stockholders from liability on account of the same the individuals holding the bonds of the association offered to take up and pay these debts and liabilities if the Speedway Park Association would convey all its title and interest in the property to such bondholders, and accordingly, after several meetings of the stockholders of the association, this offer was carried out and the bondholders paid all the unsecured debts and liabilities, which amounted to the sum of \$180,000, and all the property was conveyed to the bondholders free and clear of all liens, claims, and demands, except the outstanding bonds, amounting at their face to \$1,300,000.

FRANK H. FOSTER.

Subscribed and sworn to before me this 9th day of November, A. D. 1918.

M. E. GRAHAM,

*Notary Public in and for the county of Cook, State of Illinois.*

CHICAGO, November 7, 1918.

Maj. STOTESBURY,  
Washington, D. C.

SIR: As per your request of the 7th instant, the expenses in connection with the hospital now being erected at Speedway Park, Chicago, Ill., are as follows:

Cash paid out to date-----	\$255,028.10
Accounts payable-----	132,800.00
Contracts let-----	115,700.00

503,528.10

The above figures do not include the form lumber and other materials which were on the ground.

The average number of men employed daily on this work is 728. This includes all trades, foremen, and office help on the job.

Very truly, yours,

F. H. FOSTER,  
Secretary and Treasurer Shank Co.

CHICAGO, November 12, 1918.

Mr. EDWARD HINES,  
New Willard Hotel, Washington, D. C.

DEAR SIR: The following telegram was sent to you to-day:

"Paid out on pay rolls, \$172,796.61; on contracts, \$27,632.55; on materials and sundries, \$54,596.94; cash paid out, \$255,028.10. Accounts payable, viz, labor, \$38,318.07; material bills and sundries, \$99,486.93; total accounts payable, \$132,800. Contracts let including mill work, cut stone, sheet metal, metal doors, reinforcing steel, reinforcing pans, ceiling hangers, machinery, rentals, and materials. Total contracts let, \$115,700."

The above telegram corresponds with statement given to you Saturday afternoon last, addressed to Maj. Stotesbury, and roughly represents the condition as of November 7, 1918, in connection with the hospital now being erected at Speedway Park, Chicago.

Yours, very truly,

F. H. FOSTER,  
Secretary and Treasurer Shank Co.

#### MEMORANDUM SHOWING LOSSES SUSTAINED UP TO NOVEMBER 15, 1918.

##### Actual cost of original improvements:

Architects' fees-----	\$30,000.00
Construction, materials, labor, etc-----	955,603.62
Roadways and cement sidewalks-----	42,777.79
Equipment and fixtures, including garages and electrical supplies-----	42,019.62
Plumbing and sewerage, water systems, tanks, etc-----	159,297.99
Work on grounds (leveling, seeding, etc.)-----	7,528.99
Total-----	1,237,228.01
Moneys paid out to Nov. 7, 1918, for new construction-----	503,000.00
Estimated amount of moneys paid out, Nov. 7 to date-----	100,000.00
Total-----	1,840,228.01

In its present condition the new structure has no material value except what can be realized practically only by the sale of the brick used in the structure, which, in a liberal way, would not exceed 10 per cent of the above total. Deducting this 10 per cent, would leave the amount \$1,656,205.21.

To complete the present unfinished project would call for the immediate outlay of over \$1,500,000 additional money, and when completed what it would bring or what it is worth as a salable commodity it is next to impossible to determine, because the building itself is constructed for one specific use, and naturally its saleability is extremely limited.

Respectfully submitted.

GEO. H. SHANK,  
President Shank Co.



## EXHIBIT 20.

THE NEW WORLD,  
Chicago, November 7, 1918.

Maj. L. W. STOTESBURY,  
Blackstone Hotel, Chicago, Ill.

MY DEAR MAJOR: About 10 days ago I went to Washington to confer with Maj. A. A. O'Brien, of the Construction Division, relative to the Government hospital in course of erection at Speedway Park. Like every citizen of this city I was aware of the fact that it was a magnificent undertaking, and one wholly adequate to house the wounded soldiers of the American Army. The particular reason for my visit to Maj. O'Brien was to carry to him the instructions derived from my ecclesiastical superiors, that subsequent developments might cause the Government to relinquish the hospital after its usefulness to our Government was over.

The man who had undertaken the erection of the hospital had in mind constantly that it should ultimately be a memorial to his son, Lieut. Edward Hines, who died in the service of his country in France. It was the intention of Mr. Hines to turn it over to the Catholic archbishop of Chicago, to be used as a general hospital without any thought whatever of any sectarian bias or prejudice; it was to be for all the people irrespective of race or creed. This understanding was given to his grace, the archbishop, and whilst it was impossible to have any formal contract about the matter, there was no doubt in the mind of the archbishop that this would ultimately be done. It was eminently agreeable that there should be a tremendous large institution that would be entirely charitable in its aims and objects under Catholic auspices.

I am setting this forth to you at such length not to influence any decision you might make, but rather that you might know what the intention of Mr. Hines is.

With sentiments of profound respect, I beg to remain,

Sincerely, yours,

T. N. SHANNON, D. D.

## EXHIBIT 22.

MEMORANDUM OF AN INTERVIEW WITH MR. GEORGE REYNOLDS, PRESIDENT OF THE  
CONTINENTAL AND COMMERCIAL BANK, NOVEMBER 6, 1918.

It had appeared in the statement of Mr. Hines that he had received information that Mr. Trainor had suggested that if his firm, Trainor & Clark, were retained as agents in the matter and paid a commission of \$100,000, the matter might go through, and in suggesting the arrangement by which the payment was to be secured Mr. Reynolds's name was mentioned, and in that connection Mr. Trainor was reported to have said if satisfactory assurances were given to Mr. Reynolds that a commission of \$100,000 would be paid, that the matter could go through. In view of this statement, a personal interview was had with Mr. Reynolds at the Continental Commercial Bank in Chicago on the afternoon of November 6, by appointment, at 4 o'clock. Mr. Reynolds stated that Mr. Hines had come to see him, and stated to him in substance that Mr. Trainor had intimated that if the sum of \$100,000 was paid to the firm of Clark & Trainor as commission the Speedway project might receive favorable consideration; that Mr. Hines had told him that Mr. Trainor had suggested that the arrangements be made with him. Mr. Reynolds said that he told Mr. Hines that he was amazed at the suggestion; that he had known Mr. Trainor for years, and had never heard of the slightest question of his integrity, and that he had frequently been referred to by Mr. Trainor, and had no hesitation in giving him unqualified indorsement as to his honesty and integrity; that in view of the conversation with Mr. Hines he had sent for Mr. Trainor and Mr. Clark; that they both stated that no such suggestion had been made to Mr. Hines or to Mr. Shank or to Mr. Newman or to anyone else; that they had been especially careful not even to have anything to do with the proposal in regard to the property, on account of their knowledge of Mr. Hines, in what they believed would be his tendency to complain in case the negotiation did not go through. Mr. Reynolds stated that Mr. Hines's conversation with him carried no conviction; that after his talk with Mr. Trainor and Mr. Clark he was absolutely satisfied that no improper suggestion had been made or contemplated, and suggested that I see Mr. Clark and Mr. Trainor personally about the matter myself. Mr. Trainor

had left for Washington, and Mr. Reynolds promised to arrange to have Mr. Clark, his partner, see me. Mr. Reynolds, when interrogated further, stated that Mr. Hines had many enemies in Chicago, many of whom regarded him as somewhat unscrupulous, and while he was a director of the bank, pressure had been brought on him from many sources to eliminate him, and he had been criticized for keeping him there. He told me Mr. Hines had been expelled from the Union League Club. When pressed further for his own estimate of the situation, Mr. Reynolds stated that in view of a communication which he received some time after the original talk with Mr. Hines, in which reference was made to the fact that Mr. Trainor was about to make a report on the Field Museum project, with the intimation, at least, that as Mr. Reynolds understood it, that he should endeavor to have Mr. Trainor hold up his report on the museum project until after the other matter was decided. That he had gained the impression that the purpose of Mr. Hines's original visit was rather to obtain his help in securing Mr. Trainor's favorable action on the Speedway project, than to seriously present the effort of Mr. Trainor at an attempted hold-up. Mr. Reynolds further stated that while there was nothing definite against Mr. Hines's business integrity, that he had made his money in a very short time and the general impression was, by his ability to take advantage of financial distress of other companies and to take their properties on a basis that permitted him to make large profits. That his connection with the Lorimer investigation, and the fight made upon him by the Chicago Tribune, had created impressions that still existed to the prejudice of Mr. Hines. That he did feel that Mr. Hines might very likely desire at this time to do something big and generous to rehabilitate himself in reputation with the public; that he rather looked upon the purchase of the \$1,000,000 worth of Liberty bonds on the last day as something of that character and he thought the present Speedway project, if it did involve generous contribution to the Government, of which he hadn't been informed, might well be accounted for on that theory.

LOUIS W. STOTESBURY,  
*Major, Inspector General's Department.*

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# **MILITARY HOSPITALS**

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## **HEARINGS**

BEFORE THE

### **COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS UNITED STATES SENATE**

**SIXTY-FIFTH CONGRESS**

**THIRD SESSION**

**PURSUANT TO**

### **S. RES. 386**

**A RESOLUTION PROVIDING FOR INVESTIGATION OF THE  
SELECTION AND ACQUISITION OF SITES FOR  
GOVERNMENT HOSPITALS**

---

Printed for the use of the Committee on Public Buildings and Grounds

---

## **PART 4**



WASHINGTON  
GOVERNMENT PRINTING OFFICE  
1919



# MILITARY HOSPITALS

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## PART 4



WASHINGTON  
GOVERNMENT PRINTING OFFICE  
1919

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS.

JAMES A. REED, Missouri, *Chairman.*

HENRY F. ASHURST, Arizona.

WILLARD SAULSBURY, Delaware.

CHARLES A. CULBERSON, Texas.

THOMAS W. HARDWICK, Georgia.

J. C. W. BECKHAM, Kentucky.

PARK TRAMMELL, Florida.

CLAUDE A. SWANSON, Virginia.

EDWARD J. GAY, Louisiana.

FRANCIS E. WARREN, Wyoming.

BERT M. FERNALD, Maine.

CHARLES CURTIS, Kansas.

HOWARD SUTHERLAND, West Virginia.

JOSEPH S. FRELINGHUYSEN, New Jersey.

JOSEPH I. FRANCE, Maryland.

IRVINE L. LENROOT, Wisconsin.

DON M. HUNT, *Clerk.*

## MILITARY HOSPITALS.

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TUESDAY, FEBRUARY 11, 1919.

UNITED STATES SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON  
PUBLIC BUILDINGS AND GROUNDS,  
*Washington, D. C.*

The subcommittee met pursuant to adjournment in the committee room in the Capitol at 10.30 o'clock a. m., Senator Thomas W. Hardwick presiding.

Present: Senators Hardwick (chairman), Beckham, Trammell, France, and Lenroot.

Maj. Dusenbury, of the Ordnance Department, appeared.

### STATEMENT OF MAJ. GEN. CLARENCE C. WILLIAMS, UNITED STATES ARMY, CHIEF OF ORDNANCE.

The CHAIRMAN (Senator Hardwick). Gen. Williams, the subcommittee that has been investigating this general hospital subject has been very much impressed with this situation. We find, from the evidence that has been submitted to the committee, that apparently the different branches and bureaus of the Army have an excess of hospital requirements over and above what may be expected to be their reasonable needs. That excess has been estimated to us at something like 50,000 beds, taking the War Department as a whole. At the same time, the committee is confronted with a demand which comes in the shape of legislation passed already by the House of Representatives for a good many million dollars, which is admitted to be a mere beginning, in supplying the hospital needs of the civilian branches of the Government, such as the Public Health Bureau and the War Risk Insurance Bureau. We have invited a number of the Government officials here this morning to see if we could not get some cooperation and advice and help from them in an endeavor to work out a substitute bill which will use such general language as will make it capable of flexible administration by the different Secretaries concerned—the Secretary of War, the Secretary of the Treasury, it may be, and possibly others—so as to use, for these civilian branches of the service, hospitals that are now provided for the military authorities and that are not needed.

We should be glad to have such a statement as you can make to aid the committee in that endeavor, or any other statement on this subject which you think is appropriate to the situation I have suggested.



Gen. WILLIAMS. Yes, sir. We have a number of housing projects in various parts of the country that were built for the primary purpose of housing employees at new plants that were built. Some few of those new plants we have retained for permanent Government service, and a number of others we will probably abandon altogether. Whether these housing projects are suitable for the purpose you have in mind or not I do not pretend to know; but we can give you a list of all those, and then some competent person could make an examination and determine whether or not they are suitable.

Senator HARDWICK. Yes; I suppose the doctors in the Surgeon General's office could do that.

Gen. WILLIAMS. I have here a list of our housing projects, and that will indicate the kind and character of houses that were built on these various sites.

Senator HARDWICK. Does your list indicate also, General, such of them as would be available for this purpose if the committee thought proper to pass legislation on the subject?

Gen. WILLIAMS. I can have that indicated. The list that I have does not.

Senator FRANCE. The ones which you contemplate keeping—

Senator HARDWICK. The ones which you contemplate keeping we could not take from you; but suppose you let us know those which you contemplate abandoning, or that you could let other branches of the Government service have if they need them, and could employ them as hospitals or otherwise.

Gen. WILLIAMS. I will have those indicated.

Senator HARDWICK. If you will have those indicated, I think that will help.

Gen. WILLIAMS. Yes, sir. Here is the list, Senator, if you would care to look at it.

Senator FRANCE. Could you furnish us a copy of that?

Gen. WILLIAMS. Yes, sir.

Senator FRANCE. I should be interested in glancing it over hurriedly.

(The list referred to was handed to Senator France.)

Gen. WILLIAMS. Here is a photostat of the Perryville project which you spoke of a moment ago, before the hearing began.

Senator FRANCE. Does this include the housing projects only, or does it include the manufacturing plants, the warehouses, and so on?

Gen. WILLIAMS. That is just the housing projects.

Senator FRANCE. Have you a list of warehouses, etc.?

Gen. WILLIAMS. Yes; we have a list of that.

Senator FRANCE. In other words, we are anxious to get a complete list of all of the public buildings. This is the Committee on Public Buildings and Grounds of the Senate, and we are anxious to have a list of all of the public buildings belonging to the Federal Government which have been constructed and are under the supervision of your bureau, the Ordnance Bureau.

Gen. WILLIAMS. The present indications are that we are going to have such a large amount of material that practically all of our warehouses will be demanded for the purpose of storing this material; and there would be very few of those, I should think, that would be available for the purpose.

Senator FRANCE. Of course, that would be indicated on your list.

Gen. WILLIAMS. I will have that indicated, sir.

Senator FRANCE. We do not contemplate requisitioning anything which the Army might need, of course. Our idea is to prevent any loss by salvage of such buildings as might be permanently valuable to the Federal Government, under such plans as in a general way, I may say, the legislative branch of the Government has in mind, including what this, that, and the other member may have in his mind, so far as a permanent plan such as I have alluded to is concerned.

Gen. WILLIAMS. Yes, sir.

Senator FRANCE. May I ask whether any steps have been taken as yet toward salvaging or tearing down any of these plants?

Gen. WILLIAMS. Maj. Dusenbury handles that.

Maj. DUSENBURY. We have taken no steps toward tearing down any buildings.

Gen. WILLIAMS. Have we disposed of any of our projects at all?

Maj. DUSENBURY. Not finally.

Senator FRANCE. Are any contracts pending along that line?

Maj. DUSENBURY. For manufacturing plants, yes. In the case of some of the facilities that have been added to manufacturing plants there are several of them under negotiation for disposition. Those are manufacturing plants, pure and simple.

Senator FRANCE. Where you have built additions to private plants?

Maj. DUSENBURY. Yes, sir.

Senator FRANCE. In order that they might carry on the Government work during this period?

Maj. DUSENBURY. Yes, sir.

Senator FRANCE. Are there many of those?

Maj. DUSENBURY. There are probably 300.

Senator HARDWICK. Gen. Williams, have you any opinion that you would care to give to the committee touching this subject that I suggested to you just now, or does that come within your department?

Gen. WILLIAMS. You mean as to the use of these buildings for the purpose that you indicate?

Senator HARDWICK. Yes.

Gen. WILLIAMS. My opinion on that subject would not be worth anything at all, sir. I do not know what is demanded.

Senator HARDWICK. It does not come within your department to know anything about that?

Gen. WILLIAMS. No. These were all buildings, pure and simple, for manufacturing purposes, and without any thought whatever as to any subsequent use of this character.

Senator HARDWICK. Of course it would depend on what the hospital people say about what they would need in the way of alterations to make them available for hospitals, and what the construction people say about what it would cost in the way of money to make the alterations, before anybody could form an intelligent opinion about any of the buildings in your department, I assume.

Gen. WILLIAMS. Yes, sir.

Senator HARDWICK. And you have not been in a position where you had to give that subject any thought yourself?

Gen. WILLIAMS. No, sir; I have not paid any attention to that at all.

Senator FRANCE. General, will you furnish us with this list?

Gen. WILLIAMS. Yes, sir.

Senator FRANCE. On which might be indicated, if you please, the plants which will almost certainly be abandoned, so far as continuous use is concerned, and probably salvaged; those plants which would naturally be sold to the companies to which they are adjacent, such as the Bethlehem Steel Co., etc., and those plants, of course, which probably will be needed by the Army.

Gen. WILLIAMS. Are you speaking now just of the housing projects?

Senator FRANCE. I am speaking of these housing projects now, but I think it would also be valuable to this committee and to the legislative end of the Senate generally to have a similar list of the other projects.

Gen. WILLIAMS. Of the manufacturing projects?

Senator FRANCE. Of the manufacturing plants and of the warehouses on which list you could also indicate the ones which would be permanently needed, and those which would be probably abandoned, or not continuously used, etc., as I have already indicated with reference to this list.

Gen. WILLIAMS. Yes, Sir.

Senator HARDWICK. Gentlemen, are there any further questions that any member of the committee wishes to ask, or have you some more questions, Senator? Does that cover what you wish to ask?

Senator FRANCE. I think if Gen. Williams can furnish us with those lists, that will be all I care about asking.

Senator HARDWICK. General, you can not think of any other way in which you can aid us in the solution of this question?

Gen. WILLIAMS. No, sir; I have no information that would be of any value to you in this matter.

Senator FRANCE. There is only one thing I desire to ask the general further, and that is this: Do you contemplate very shortly salvaging these buildings, or would it be possible for us to have a reasonable length of time in which to look over the projects with a view to utilizing them in connection with a permanent plan?

Gen. WILLIAMS. The salvaging of these buildings is under the Director of Sales, who reports to Mr. Crowell, the Director of Munitions.

Senator FRANCE. Who is that?

• Gen. WILLIAMS. Mr. Hare.

Senator FRANCE. C. Willing Hare?

Gen. WILLIAMS. Yes. The disposition of them is not proceeding with any very great amount of rapidity.

Senator FRANCE. But he has charge of that?

Gen. WILLIAMS. He has charge if it; yes, sir.

Senator FRANCE. Do you mean to say he has charge of the salvaging of the Ordnance Bureau buildings and the manufacturing plants?

Gen. WILLIAMS. We report to him what is available for salvage. Then he considers the matter, and gives us instructions as to how to dispose of them.

Senator FRANCE. Do you have direct charge of that?

Gen. WILLIAMS. I have a salvage board that has charge of all the details of it.

Senator FRANCE. Who are the members of that board, General?

Gen. WILLIAMS. Col. Tenney is chairman of it and Maj. Dusenbury is a member of the committee.

Senator FRANCE. Who are the other members of it?

Gen. WILLIAMS. Col. Shurtleff is a member. Who are the other members?

Maj. DUSENBURY. Col. Burns and Gen. Norton.

Senator FRANCE. Of course, we know that you are a very busy man; and we thought, perhaps, having these names before us, we could summon them in case we should wish any detailed information, thus saving your time.

Gen. WILLIAMS. I will give you a statement of just what our organization is for handling it, and who the members of it are.

Senator FRANCE. I think that is all I wish to ask.

Senator HARDWICK. I think that covers about what you can give us in the way of aid; and we thank you very much, General, for your kindness in making this statement to the committee.

Gen. WILLIAMS. Thank you, sir.

**STATEMENT OF DR. W. G. STIMPSON, ASSISTANT SURGEON  
GENERAL, BUREAU OF THE PUBLIC HEALTH SERVICE.**

Senator HARDWICK. Doctor, you heard the questions I propounded to Gen. Williams?

Dr. STIMPSON. Yes, sir.

Senator HARDWICK. I asked them so that all of you could hear what was said, and I will not have to repeat. That is the problem we are working on. We have these bills before us, and if it is possible to work out something along this line that will save money we want to draft some general legislation in the place of this House bill. Can you help us?

Dr. STIMPSON. The bill already provides for that contingency. It states that we can utilize any buildings we can find, possessed by any department of the Government, which are adaptable for our purpose.

Senator FRANCE. We know that, Doctor; but you might be harder to suit if you have that ten and a half millions at your disposal.

Dr. STIMPSON. It has already been testified before this committee that there are no Government hospitals that could be used for our purposes except buildings in the War Department. Now, those are divided into two classes—the warehouses and other buildings not constructed as hospitals and the base hospitals at the cantonments. We have investigated two plants that we were told could be turned over to us, one at Toledo and one in Cincinnati. There was an estimate made by an Army engineer and architect that it would cost \$175,000 to convert the one at Toledo to hospital purposes, and in the case of the one at Cincinnati it would cost \$250,000. The one at Toledo is not suitable for our purpose in any way. It is out on a point of land, in a cold, isolated place, without proper means for getting to transportation facilities and other things. Even after we spent \$175,000 there we would not have what we wanted.

It is very important in starting a hospital that can be run under good conditions—that is, under economical conditions—to have it

constructed in the way that it should be. A hospital is a highly specialized building. If you take an abandoned hotel or a warehouse and try to make it into a hospital you are going to sacrifice something in its economical operation. The proper width of a ward is 26 feet. If you have a building in which you have to have a ward 40 feet wide you have simply got 10 extra feet there to take care of and keep clean which is no good to you, and you have that all the rest of the time you occupy that hospital.

We had an old hospital in New York. We obtained money from Congress and tried to remodel that building. We practically used nothing except the four walls. We have spent \$500,000 there in remodeling that building and now it is not adapted for hospital purposes as it should be. It can be used. For instance, the one great objection is you have to go through one ward to go to another, and there are other things about the building which show us that it would have been much better in the first place to have torn down the whole building and rebuilt it new.

Senator HARDWICK. It would have been cheaper?

Dr. STIMPSON. It would have been cheaper.

Senator FRANCE. What is that hospital used for?

Dr. STIMPSON. That is one of our main hospitals, used for beneficiaries of this service, who are the sick and injured of the merchant marine—that is, merchant vessels—and we also take Army and Navy people, enlisted men and officers, upon the request of the Army and Navy and War Department; we have injured civil employees under the compensation act, and we treat foreign seamen there at the request of the consuls and of the masters of foreign ships, upon a repayment basis.

Senator HARDWICK. Let me put it to you right plainly, right straight from the shoulder. If the Army has 50,000 beds more than it needs, and you people need ten or fifteen or twenty or thirty thousand beds—

Dr. STIMPSON. Now, Senator Hardwick, let me explain that. That is 50,000 beds scattered all over their whole hospital organization. There are a few beds here and a few there. They do not know when they will need those beds. During the influenza epidemic they took them all, and they did not have enough. They have to have a certain number in reserve.

Senator HARDWICK. Yes; but they testified that they had that many beyond all reasonable requirements.

Dr. STIMPSON. They needed them, however, during the influenza epidemic.

Senator HARDWICK. Well, we can not provide for unreasonable requirements. Do you suppose that the country ought to go to the expense of providing thousands of beds more, when the Army has thousands more than it needs?

Dr. STIMPSON. Every hospital has to have reserve beds in it.

Senator HARDWICK. Why, of course; but the Army's statement was made to us with full allowance for that, and we told them to estimate for everything in the world that they could expect, and they still say they have this immense excess of beds.

Senator FRANCE. We were building for an Army of 2,000,000 men in the field, on the fighting line, constantly recruited up to strength.

Senator HARDWICK. Yes.

Dr. STIMPSON. The Army have been steadily giving up their hospitals. These converted hospitals and other places that were not originally adapted to hospital purposes are being given up now, and they are constantly reducing the number of their beds.

Senator HARDWICK. I am talking about the number they have now.

Senator FRANCE. Have you a list of the hospitals to which you contemplated making additions, and the character of the additions?

Dr. STIMPSON. Yes, sir; I can give you a list, or I can tell you now.

Senator FRANCE. There is nothing in the bill to indicate the details which you had in mind.

Dr. STIMPSON. No, sir; that was left to the Secretary of the Treasury, and we gave a tentative list before the House Committee on Public Buildings and Grounds. We intended to put up buildings according to that list. It was subject to revision by the Secretary of the Treasury or by ourselves if we decided to change it afterwards.

At Boston—

Senator FRANCE. As an addition to the hospital?

Dr. STIMPSON. As an addition to the present hospital, we intended to put 200 beds there. We have the ground.

Senator LENROO. At what cost? Have you estimated the cost?

Dr. STIMPSON. We have estimated the cost. Where we have reservations, it is not going to cost us as much as it is where we have to buy a new place entirely.

Senator FRANCE. About how much per bed would it cost there?

Dr. STIMPSON. It would cost about \$1,700.

Senator HARDWICK. \$1,700 a bed?

Dr. STIMPSON. Yes, sir; between \$1,500 and \$1,700.

Senator TRAMMELL. That would be for fireproof buildings?

Dr. STIMPSON. That would be for practically fireproof buildings; yes, sir. We want to put good buildings there, because we expect to use them for our seamen after the necessity for war-risk patients is over. There is a large increase in the merchant marine, and that increase for the next few years is going to continue, and we will need these buildings for merchant seamen after the necessity for the war-risk patients is over; and that is why we want to save money by putting these buildings on those reservations.

Senator HARDWICK. Do you know anything about this Speedway Hospital at Chicago?

Dr. STIMPSON. I did not visit it. Dr. Banks and Dr. Wilson went out.

Senator HARDWICK. Dr. Wilson is with your department?

Dr. STIMPSON. Yes, sir; I have seen the plans. I have not seen the building.

Senator HARDWICK. The reason I ask you about that is this, and I am going to state it frankly. If the committee should determine that the Government is under any moral obligation to safeguard or salvage something more than a million dollars of investment there, it seems that it is a meritorious project as to cost; and I wondered if you could not use that, if you have got to pay out any money?

Dr. STIMPSON. That can be used for a certain class of patients. It is not very suitable for a tuberculosis sanitarium.

Senator HARDWICK. No; I think not.

Dr. STIMPSON. Or, maybe, for mental diseases, except those in the worst stages. In mental cases where we have to confine dangerous

persons in hospitals, it could be used for that purpose; but we ought to have a colony for mental cases, and we ought to have a sanitarium for tuberculosis cases.

Senator HARDWICK. Besides?

Dr. STIMPSON. Yes, sir.

Senator HARDWICK. How many beds do you need right away?

Dr. STIMPSON. Dr. Banks can answer that question better than I can. He is in the War Risk Insurance Bureau.

Senator HARDWICK. All right. I mean, how many does your bureau of the Public Health Service need right away?

Dr. STIMPSON. Oh, the Public Health Service? We have now about 1,640 or 1,650 beds. We are making additions from money given to us by Congress to provide up to about 2,200.

Senator HARDWICK. That is, the Bureau of the Public Health Service?

Dr. STIMPSON. That is all that we have at the present time.

Senator HARDWICK. You say you have 2,200 beds?

Dr. STIMPSON. We have 1,640; and we are now, with money given to us by Congress, to raise that to about 2,200.

Senator HARDWICK. Under this legislation how much would you have?

Dr. STIMPSON. This legislation will allow us 5,000 beds.

Senator HARDWICK. Your Bureau of the Public Health Service, according to that bill. If we are permitted—

Senator HARDWICK. To take over the war risk?

Dr. STIMPSON. To take over the war risk, we will have 5,000 beds. If the first bill passed by the House is passed by the Senate, then we will have 5,000.

Senator HARDWICK. If you took over the Speedway, that would be half of it alone; would it not?

Dr. STIMPSON. Twenty-five hundred beds?

Senator HARDWICK. Yes.

Dr. STIMPSON. Of course the question whether it is desirable to have all those patients in one place is a question which Dr. Banks can answer.

Senator HARDWICK. Yes; I will examine him on that point, but of course it would lessen the overhead charges considerably if you did that; would it not?

Senator TRAMMELL. Does this new expenditure that was authorized by the House contemplate the establishment of a tubercular hospital?

Senator HARDWICK. One of the bills does.

Dr. STIMPSON. It includes any kind of a hospital that is needed.

Senator TRAMMELL. Where is it to be located?

Dr. STIMPSON. At any place that the Secretary of the Treasury desires, according to this bill.

Senator TRAMMELL. Did you have a particular place in contemplation at the time you appeared before the committee?

Dr. STIMPSON. At the time the first bill was contemplated we expected to put that sanitarium at Dawson Springs.

Senator HARDWICK. In Kentucky?

Dr. STIMPSON. Yes, sir; because the grounds have been offered to us. We have been offered 5,000 acres there.

Senator BECKHAM. Tell us what that offer includes.

Dr. STIMPSON. It includes 5,000 acres and some valuable coal lands, and also any quantity that we desire of the mineral spring water of that region.

Senator FRANCE. What would be the cost of that property to the Government?

Dr. STIMPSON. That bill carries \$1,500,000, I think.

Senator FRANCE. But that includes the buildings?

Dr. STIMPSON. That includes the buildings. The land was to be given to us.

Senator FRANCE. A donation?

Dr. STIMPSON. Donated; yes, sir.

Senator LENROOT. What public utilities are there there?

Dr. STIMPSON. There are none at present.

Senator LENROOT. We would have to supply all of that?

Dr. STIMPSON. You mean, by public utilities, water, sewerage, etc.?

Senator LENROOT. Water and sewerage.

Dr. STIMPSON. Yes, sir. This would be some little distance out of the town, a mile or so out of the town, and we would have to supply our own public utilities there. We would have to dig wells and put in a sewerage plant and a power plant. It would be a new building.

Senator LENROOT. Is that an unconditional gift to the Government?

Dr. STIMPSON. The land is.

Senator FRANCE. I mean the land.

Senator BECKHAM. That land has great quantities of coal on it; has it not?

Dr. STIMPSON. There are great quantities of coal there now, which before the war was mined and delivered in Dawson Springs at 90 cents a ton.

Senator FRANCE. Is it a dry and rolling country?

Dr. STIMPSON. It is a very good country. Dr. Banks has been there and reports to that effect.

Senator HARDWICK. That is the provision embraced in House bill 12917; is it not?

Dr. STIMPSON. Yes, sir.

Senator HARDWICK. Which was a little bill for a million and a half for this tuberculosis hospital?

Dr. STIMPSON. Yes, sir.

Senator HARDWICK. The other is a general bill, carrying ten millions and a half?

Dr. STIMPSON. For tuberculosis or other purposes.

Senator BECKHAM. It does not confine them to that, which I think is a wise provision.

Senator LENROOT. Would you have to have independent sewerage and wells?

Dr. STIMPSON. Yes; it would be out in the country, you know.

Senator LENROOT. But would you connect with existing facilities of the kind? Is there a town near here?

Dr. STIMPSON. There is a town at Dawson Springs.

Senator LENROOT. Do they have these public utilities—sewerage, water, and such things?

Dr. STIMPSON. Dr. Banks has been there. I have not. He can tell you.



Dr. BANKS. This is so far from the town that it is practically unoccupied land at present.

Senator LENROOT. You would have to put in independent facilities?

Dr. BANKS. Yes, sir.

Senator LENROOT. Now, that costs, as the testimony shows, about \$800 per bed additional, where you have to put in your independent facilities. Is that in accordance with your view?

Dr. STIMPSON. It depends upon the size of your hospital. It depends upon the number of beds you have there. I should think, for a 500-bed hospital, it would. You would have to put in an extra power plant for power and light.

Senator HARDWICK. This million and a half would provide a 500-bed hospital?

Dr. STIMPSON. Yes, sir.

Senator HARDWICK. No more than that, at Dawson Springs?

Dr. STIMPSON. Probably not. That is, those are fireproof buildings.

Senator HARDWICK. I understand. That is what you want for your purposes?

Dr. STIMPSON. That is what we want.

Senator LENROOT. Would it not be economy to locate these permanent buildings in the outskirts of some city that did have all these facilities, where we would not have to go to that great expense of supplying them independently?

Senator BECKHAM. Then, you would have the expense of buying the land and the coal.

Dr. STIMPSON. You see, quite a lot of things are given to us there in the bill as passed by the House.

Senator LENROOT. What is the land worth?

Dr. STIMPSON. The land, as testified before the committee of the House, is worth up on the hill some \$10 to \$20 an acre, and down in the valley from \$100 to \$200 per acre.

Senator BECKHAM. The land that is donated includes ample land for cultivation?

Dr. STIMPSON. Ample land for keeping a dairy herd and for farm purposes.

Senator HARDWICK. What is the tract of 5,000 acres worth—\$100,000?

Dr. STIMPSON. I think it must be worth nearly that.

Senator HARDWICK. Nearly that?

Dr. STIMPSON. Yes, sir.

Senator LENROOT. What would you estimate to be the value to the Government of the coal facilities, as compared with what it would cost normally?

Dr. STIMPSON. Coal at a big plant of that kind costs considerable, because we use it for power purposes, to make electricity, and for heating. It is pretty hard to say in that country.

Senator LENROOT. Of course, as far as the land was concerned, if 500 beds would cost \$800 per bed additional, which would be \$400,000, the fact that the land was donated for \$100,000 would not be an equivalent, would it?

Dr. STIMPSON. Not unless you had to pay that much for land near a city, if you wanted to put it up in or near the city.

Senator LENROOT. Suppose you did, and suppose you paid \$100,000 and saved that \$400,000?

Dr. STIMPSON. Well, there is this much about it: In getting that country land you can run your own dairy and raise your own vegetables and have your own chicken ranches and things of that kind.

Senator LENROOT. The point is, could we not do that in many of our cantonments, if there is a cantonment in a suitable location where they have those same facilities; if not, whether we could not construct one adjoining some of those cantonments?

Dr. STIMPSON. Yes, sir. That brings up the subject of cantonment hospitals. We have only been offered three of those sites at present. One is in Florida, which is rather an enervating climate for tuberculosis. We would prefer to have a tuberculosis hospital in the mountains somewhere, in the Alleghenies, in the Blue Ridge, around Asheville, or up here in Garrettville, Md., or at least in a rolling country like Dawson Springs.

Senator LENROOT. Is there any cantonment that you would like to have if you could get it?

Dr. STIMPSON. None that has been offered to us.

Senator LENROOT. Well, I know.

Senator HARDWICK. We are going to look after the offering business.

Dr. STIMPSON. And we have been told they could not give them to us. Camp MacArthur has been offered. I am not familiar with that.

Senator HARDWICK. What about Camp Gordon, near Atlanta?

Dr. STIMPSON. We have again and again been to the Army and asked them what they could give us in the way of base hospitals, and they have told us that there were only three sites. One of those is at Hot Springs, N. C., which is not suitable for the purpose. It is down in a bend of a river, where it is flooded occasionally. The water facilities there are bad. They had the alien German prisoners there, and a lot of them got typhoid fever. The one at Camp Johnston, in Florida, I have just told you is not exactly what we want. Camp MacArthur I have not seen.

Senator LENROOT. I think, Doctor, you ought to approach this question upon the theory that Congress might be a superior authority to the War Department for something that you do want.

Senator TRAMMELL. Secretary Baker intimated to the committee that they had a lot of properties about which they would be glad to cooperate.

Senator LENROOT. I think it would be wise if your department could give us any information in regard to anything they would like to have, irrespective of whether the War Department want to give it to you or not.

Senator HARDWICK. What are the total bed facilities? How many beds would these three that they have offered you, as you put it, furnish you, Doctor?

Dr. STIMPSON. The three they have offered us?

Senator HARDWICK. Yes.

Dr. STIMPSON. Oh, they told us there were about 1,000 at Camp MacArthur, and about 700 at each of the other places.

Senator HARDWICK. That is 2,400, such as they were?

Dr. STIMPSON. Yes, sir. They are very uneconomical, of course, to operate. They are stretched over a large area.

Senator FRANCE. Doctor, the question of economy hardly enters into this matter, because these war-risk patients will not be in your hospitals much over a year, so that the temporary care of them at an increased cost per patient for a year would not be a considerable item compared with the outlay for new hospitals.

Dr. STIMPSON. The experience in compensation cases is that they increase the first five years. I was talking to the medical adviser to the bureau administering the Government employees' compensation act. This act went into force in 1916. He says that there was a gradual increase in the number of patients under this act, and the experience of other compensation acts in other countries, in other places, showed that there would be an increase for the first five years before you get the normal run of patients. Now, it is unlikely that we will get the full number of these compensation cases applying for hospital treatment for some time. It will be a gradual growth; and the history of the Civil War shows that these men do not get well in a year or two. They come back for a return of the original trouble.

Senator HARDWICK. Well, Doctor, as we gradually reduce the Army to a peace basis, we will gradually have more of their accommodations that we can commandeer, whether they offer them to us or not.

Dr. STIMPSON. That is the reason why we have not asked you for more than \$10,000,000. If we asked for the whole number that we expect to take care of in the next two or three years, it would probably be more. We hope to use some of these hospitals.

Senator HARDWICK. I can not undersand, to save my life, why, if they have already got 50,000 beds more than they need, we can not get a few thousand beds from them which you need now.

Senator LENROOT. And where you would like to have them.

Senator HARDWICK. Yes; even if they have not offered them to you. We do not care anything about that. We are dealing with the money of the taxpayers of the country.

Dr. STIMPSON. I think Dr. Banks can enlighten you on what he needs.

Senator HARDWICK. All right.

Senator TRAMMELL. I just wanted to ask you, Doctor, as to whether the statistics in handling tuberculosis cases indicate that these places that he has mentioned that would possibly be more desirable than the Florida location have a greater number of cures in those localities than they have there?

Dr. STIMPSON. You mean in relation to Florida particularly?

Senator TRAMMELL. Yes; outside of Asheville, N. C.

Dr. STIMPSON. When I spoke I was thinking of the conversation I had a few days ago with the commanding officer at Azalea, who was in Washington. He asked me what we were going to do with the tuberculosis patients of the War Risk Insurance Bureau. He is a civilian who lives at Colorado Springs, and said he was going out of the Army, and just as a matter of information he asked that question. I said we had been offered Camp Johnston, Fla. He said, "Why, that is too enervating a climate for tuberculosis patients, unless you have to put them there." I asked him about Hot Springs. He said, "Hot Springs is just 30 miles from Azalea, and Azalea was an ideal tuberculosis camp. It is one that is still in use by the Army."

Hot Springs should not be taken under any circumstances." He said that the Army had already given it up as the least desirable from their point of view, and it was down in a hollow and in the bend of a river, where it was liable to be flooded, and he said that that was why he made the statement to me.

Senator TRAMMELL. I can not speak from the standpoint of the medical man; but I know, as a matter of fact, that thousands of people go to Florida for lung trouble, and a great many have apparently been cured by going there to that climate.

Dr. STIMPSON. Yes, sir.

Senator TRAMMELL. And with us there, outside of Asheville, N. C., and the dry climates of the West, we do not consider that there is any part of the country that is better for tuberculosis cases than Florida; and I think it is pretty generally looked upon in that way. I have known personally quite a few people that were suffering with tuberculosis that have come there and regained their health entirely.

Dr. STIMPSON. I do not think climate makes a very great difference. I think you can get cures in all climates; but if you were deliberately selecting a locality, and had free choice, it might possibly be better to take a section around Asheville, or in that neighborhood, rather than down in Florida.

Senator FRANCE. Doctor, I was about to suggest that you complete this survey, because that will clarify our minds, if you will run over the sites which you have in mind for these additional buildings. You started with Boston.

Dr. STIMPSON. Oh, yes. I started at Boston.

(It was stated by an officer accompanying Dr. Stimpson that the list referred to had already been turned over to the Committee on Public Buildings and Grounds.)

Senator TRAMMELL. If it is in the record, very well.

Dr. STIMPSON. I can give it to you in a minute. There is Boston—

Senator LENROOT. Will you indicate, as you go through, those which are additions, and the estimated cost?

Dr. STIMPSON. These are all additions.

Senator LENROOT. They are all additions in your list?

Dr. STIMPSON. Yes, sir; to the present reservation.

Senator LENROOT. There are no new locations?

Dr. STIMPSON. No new locations.

At Boston we expected to put 100 beds.

At Chicago, 275 beds.

Senator LENROOT. What is the estimate of cost there?

Dr. STIMPSON. I think all these are \$1,700. I think they estimated them all alike.

Senator LENROOT. \$1,700?

Dr. STIMPSON. Yes, sir.

At Cleveland, Ohio, 200 beds.

At Detroit, Mich., 100 beds.

At Evansville, Ind., 200 beds.

At Louisville, Ky., 100 beds.

At New Orleans, La., 200 beds.

At St. Louis, Mo., 200 beds.

At San Francisco, Cal., 200 beds.

At Wilmington, N. C., 200 beds.

Those, however, are only tentative.

Senator LENROOT. And does that take up the \$15,000,000?

Dr. STIMPSON. No, sir. In that way we expected to provide 2,000 beds, and the other 3,000 were to be for new places.

Senator LENROOT. And have you any tentative plans for those?

Dr. STIMPSON. There were three tentative plans that it was very unlikely would be carried out, but it was just to give some sort of a location. One was in the Berkshires, in Massachusetts, for patients that were coming from that neighborhood—from New England and New York and around in that region; another one was a sanitarium at Asheville, in that neighborhood; and another one in the West, somewhere around New Mexico.

Senator LENROOT. What would be the bed capacity?

Dr. STIMPSON. Those would be 1,000 beds each—the three of them.

Senator LENROOT. Would the one at Asheville be for tuberculosis patients?

Dr. STIMPSON. Those three were to be for tuberculosis patients.

Senator LENROOT. All three of them were to be for tuberculosis patients. I see.

Dr. STIMPSON. We can use them for other purposes, but they were especially for tuberculosis patients.

Senator FRANCE. About how much did you plan to have those cost?

Dr. STIMPSON. They would cost the remainder of the \$10,500,000.

Senator FRANCE. \$500,000 each?

Dr. STIMPSON. I have not calculated it. I have the figures off here.

Senator LENROOT. You say 3,000 beds?

Dr. STIMPSON. Yes; 3,000 beds.

Senator LENROOT. How much appropriation?

Senator FRANCE. \$500,000 for each; 1,000 beds for each.

Dr. STIMPSON. I can put that in the record.

Senator LENROOT. These additions were to cost \$3,000,000, and how much?

Dr. STIMPSON. We will have to give you what the 2,000 are going to cost.

Senator LENROOT. That is what I was getting at.

Dr. STIMPSON. I do not know that I have it, but I can put it in the record. I have not that with me. I have got it made out, but not with me.

Senator FRANCE. Can you tell us approximately the cost per bed of these new locations—those three?

Dr. STIMPSON. I think they would cost between \$2,500 and \$3,000 a bed at the present time. I do not believe it can be done for less. That is just a rough guess.

Senator FRANCE. Then it would cost \$2,500,000 for 1,000 beds?

Dr. STIMPSON. Yes, sir; I was trying to see if I did not have the exact figures. I have not got them with me. The architect has those figures, and he did not come over this morning.

Senator LENROOT. Do you know the cost at the Speedway, Doctor? Of course, we have it all here. I just wanted to know whether you knew.

Dr. STIMPSON. No; I have not heard.

Senator LENROOT. So you would not be able to give us any information as to why these proposed hospitals cost so much more per bed than the Speedway costs?

Dr. STIMPSON. The Speedway is a very large hospital. The larger the hospital the less it is going to cost per bed.

Senator LENROOT. That is true; yes.

Dr. STIMPSON. And I understand that some of that was given to the Government, was it not? Some of that money was given, and it was not charged for.

Senator HARDWICK. That is the contention—that part of it, in land valuation, is given. That would seem to indicate it, from your figures.

Dr. STIMPSON. They may not be charging the actual cost of what they have done.

Senator HARDWICK. Yes; that is true.

Senator LENROOT. I was speaking of the cost to the Government.

Senator HARDWICK. Doctor, is there not any way in which we can have a survey made jointly by you and the War Department and pick out enough hospitals, possibly including the Speedway, if we decide that the Government is under any obligation to buy it, and then legislate them over to you and give them to you to control, buildings and all—complete them where they need completion, as, for instance, with the Speedway, if we took it over—and avoid expending all this money?

Senator FRANCE. There is a beautiful little hospital, in that connection, Senator, at Edgewood, Md., with 350 or 400 beds complete—an ideal hospital, ideally located. Do you know that?

Dr. STIMPSON. I have heard of it. I have not been there. It is about 20 miles from Baltimore, in Harford County, is it not?

Senator FRANCE. Yes; it is already built.

Senator LENROOT. Is that an Army hospital?

Senator FRANCE. It is a proving ground.

Senator HARDWICK. In the case of the Speedway hospital, here is a tremendous hospital that these men, the Surgeon General's people and all, say is one of the best ever constructed in this country. It was really built, or partially built, on the theory that the War Department needed it, and it has since been turned down by the War Department.

Dr. STIMPSON. Yes, sir.

Senator HARDWICK. Now, we passed legislation here recently making the Government liable in a number of cases where there is a moral obligation, where the contract is not legally completed. If it should develop, in the opinion of the committee, that the Government is liable to the Speedway people for a million dollars or so, and that for \$2,000,000 more, we will say, just for purposes of illustration, we could get 2,500 beds in one of the best hospitals in the world, it looks to me like just such things as that might save money; and if we could pick out enough of these Government hospitals, scattered through the country, that have already been constructed or partially constructed by the War Department and just turn them over bodily to these other bureaus, it looks to me like we might save money by it. I do not know; I am not an expert on these things. I am just taking a common-sense view of it.

Senator TRAMMELL. Even if there is not any moral obligation, it might be wise to utilize that hospital.

Senator HARDWICK. Yes; we would save money, according to what Dr. Stimpson says.

Senator TRAMMELL. I do not know, of course.

Senator HARDWICK. If it is going to cost from \$1,700 to \$2,000 or more a bed for new construction, and you can get this at something like a thousand dollars a bed—what was the last figure, Mr. Bennet, leaving out the salvage proposition, because of course you could not salvage it?

Mr. BENNET. One thousand three hundred and four dollars.

Senator HARDWICK. One thousand three hundred and four dollars a bed—is not that a pretty good showing?

Senator TRAMMELL. And in a proper location.

Dr. STIMPSON. Our greatest need at the present time is for a tuberculosis sanitarium.

Senator FRANCE. Well, here is a beautiful plant at Perryville, Md., to which I have referred before. It is reported to have cost \$15,000,000. It has beautiful landscape gardening, houses right on the river, and it is to be abandoned now.

Senator HARDWICK. It looks like they could take it and use that for 350 of the beds.

Senator FRANCE. There are 350 houses, cafeterias, infirmaries, administration building—a beautiful plant right on the river.

Dr. STIMPSON. Yes, sir. It is right near Havre de Grace, it it not?

Senator FRANCE. Yes; right on the river, in one of the choicest spots.

Dr. STIMPSON. Is it up on the bluff?

Senator FRANCE. It is not on a very high bluff, but it is sufficiently elevated to be dry, and it would be an ideal spot for an ideal hospital.

Dr. STIMPSON. I think certain of those things could be used.

Senator FRANCE. Here is the plan of it.

Dr. STIMPSON. But should we be confined to them alone? Should we not have some little margin in the matter? Should we be confined to using Army hospitals entirely?

Senator FRANCE. That is not an Army hospital.

Dr. STIMPSON. I mean other Government buildings entirely.

Senator HARDWICK. Yes; and I will tell you why. Now, of course, this is argumentative; but we have got you all down here to help us. I will tell you why. Dismiss for the moment from your idea that each department stands separate. Get out of the departmental view. The people own these buildings. They have paid for them, wherever they are.

Dr. STIMPSON. Yes, sir.

Senator HARDWICK. Now, if it is going to cost a whole lot of money, \$1,700 or \$2,000 a bed, and we have got beds somewhere else, even if they are not quite as suitable, it would look like, in the interest of economy, in these times of retrenchment, we ought to provide that the existing buildings shall be used.

Dr. STIMPSON. If it is real economy.

Senator HARDWICK. Well, of course.

Dr. STIMPSON. If you are going to add a third to your operating costs in the hospitals, it is not economy.

Senator HARDWICK. Take, for instance, this Chicago hospital proposition. You said yourself that the cost per bed was reduced by having a large number of beds; and I am enough of a business man to know—although I do not claim to be a good business man—that your overhead expenses are reduced in the same way if you have a large hospital. So that it looks to me like it would be economy, both in the cost of providing hospitals and in overhead administration, at least, to have a considerable hospital at some central point.

Dr. STIMPSON. I think myself it would be well to have several hospitals, large hospitals, at one particular place.

Senator HARDWICK. One, at least.

Dr. STIMPSON. But there are many sides to this question that will have to be considered, and one of those is whether it is not desirable in some places to have the hospital within a reasonable distance of where the men live. That is one of our reasons for putting these beds on our own reservations. They are scattered around the country, and we can send a man 50 miles—

Senator HARDWICK. But you can take a few central places, like Chicago and New York and maybe others, a few other strategic points selected where they would supply, on account of railroad communications, etc., a tolerably large and populous territory.

Dr. STIMPSON. Yes, sir.

Senator HARDWICK. And by using a large hospital you would reduce the cost of construction and also the cost of operation. That is, it occurred to me that that was true.

Dr. STIMPSON. Dr. Banks has already testified—

Senator HARDWICK. We shall be glad to question him about that, too.

Dr. STIMPSON. He has already testified before the other committee that he preferred to have these smaller hospitals scattered more over the country, as a general thing.

Senator HARDWICK. I can understand why there are some strong reasons in favor of that view, as I have given some of the others, I think, that militate against it.

Senator LENROOT. Senator France suggested that a survey be made with the War Department. I would suggest that Dr. Stimpson make an independent survey of what Army hospitals he would like.

Senator HARDWICK. I think so, too.

Senator LENROOT. Without negotiating with the War Department at all, and present it to us.

Senator HARDWICK. Do not ask what they want. Their main base hospitals, where they are going to retain their cantonments—

Senator LENROOT. They naturally would want to give you their poorest hospitals.

Dr. STIMPSON. Yes, sir; and it depends upon which service is paramount. Are we to consider that the necessities of the War Department are paramount to our service?

Senator HARDWICK. Let me say to you, Doctor, this, that they came up and told us that they had 50,000 excess beds. Furthermore, the Secretary says that he is not only willing to give you some beds in these hospitals but to turn over good hospitals to this service.



Dr. STIMPSON. They may be generous, but when it comes to turning them over—

Senator HARDWICK. That is the policy of the department, anyhow, as he announced it to the committee. Now, if any bureau or officer in the department does not want to turn them over, we will turn them over for him, and we want you to make up a list of what you think you can use from the War Department and we will ask them to give us a list of what they can give up, and we will try to reconcile the claims.

Senator FRANCE. The preeminent department is the Treasury Department, because in a large way it is the duty of the Treasury Department of the United States to conserve its finances and to use every possible means for conserving the wealth of the Nation, and for that reason it seems to me that the Treasury Department should be the one department, in all its bureaus, to formulate every possible plan for the saving of money.

Senator HARDWICK. Yes; but, of course, that leads to the thought behind it that the taxpayer is more important than all the departments put together. I spoke of the Treasury as representing the taxpayer.

Senator FRANCE. The Treasury represents the interests of all the people.

Senator HARDWICK. That is what we want to do. It is not altogether what the Army wants to give or what you want to take. We want the best interests of the taxpayers served. If they have something that they can give up we want them to give it up, if it can be used for your purposes. And on the other hand, if it is not exactly what you want, if you had unlimited money to spend for it, but it can be made to serve, especially as we do not know what the reconstruction needs are to be, I think we ought to take it.

Senator FRANCE. There is a plant of that character. I know it myself, because I live there. Of course you would say it is not built for a hospital, for an ideal hospital. It is the cottage plan of hospital.

Dr. STIMPSON. That kind of hospital requires many nurses, and is very expensive to run. It runs up your overhead charges.

Senator FRANCE. But with the ambulatory cases, such as most of these cronics will be, ambulatory cases requiring reconstruction work, that sort of a hospital is ideal for that. As a medical man I am sure that you will have no very great number of bed-ridden cases to care for, growing out of this war. I am not speaking of the permanent hospitals. I can not see what kind of permanent, bed-ridden cases you will have to care for, most of them will be ambulatory, chronic cases, will they not?

Dr. STIMPSON. Quite a number of tubercular cases, sooner or later, will become bed-ridden cases.

Senator BECKHAM. How many tubercular cases do you estimate from the Army?

Dr. STIMPSON. There have already been 24,000 discharged from the Army suffering from tuberculosis. The number has already been discharged.

Senator TRAMMELL. That does not indicate that all of those will go into these Government hospitals, does it?

Dr. STIMPSON. The history shows that one-third will be in the hospital at least all the time for sanatorium treatment.

Senator TRAMMELL. I have known of them being discharged and going out and having gained 20 or 30 pounds in 60 days, just because they got away from the hospital where they got fresh air. I know a Florida man who was at Walter Reed and who looked as if he was going to die, and he got a furlough and went to Florida and gained 30 pounds and came back apparently a well man in 60 days.

Senator HARDWICK. Going back to Senator Lenroot's proposition; we will be very glad to have you give a list of such War Department hospitals as in your judgment could be turned over to the Public Health Service and the War Risk Bureau, suitable for your purposes.

Senator LENROOT. I would amend that a little, not what in your judgment could be turned over, I would rather have him make it such hospitals as he would like, irrespective of his judgment, and independent of—

Dr. STIMPSON. And independent of what the Army desires in the matter?

Senator LENROOT. Yes.

Dr. STIMPSON. You would want that when?

Senator LENROOT. As soon as you could give it to us. We have got to legislate in a few days, if at all.

Senator BECKHAM. Would that involve personal visits?

Dr. STIMPSON. About the only thing we could tell except by making a personal visit would be the size and location.

Senator LENROOT. And plans?

Dr. STIMPSON. We know the plans now of these hospitals. They are all about alike. The location is about the only thing that we could get. We could decide whether it is a suitable location in a day or so. We could get you that.

Senator HARDWICK. What I had in mind, Senator, is this: There are certain of the Army hospitals, of course, that it is impossible to think about, and I think the doctor might as well allow for that, if he could. If he could use his judgment and take such as he thinks available.

Dr. STIMPSON. We have already conferred with the Army at numerous times as to what they could give us. They say positively—

Senator HARDWICK. Only three. How do you reconcile that with the proposition that they have 50,000 beds?

Dr. STIMPSON. They would not be willing to turn those beds over to us, though they say they have 50,000 beds in their hospitals, and that they could be used for the war-risk patients.

Senator LENROOT. That is practical economy.

Senator HARDWICK. The Secretary said he was willing to turn over whole hospitals; that he thought himself the administration ought to be changed.

Dr. STIMPSON. He did?

Senator HARDWICK. Yes. He thought that it was just a question of locating them. He thought we would be very foolish—he did not use that word; I am just giving you the idea—in the interest of the

taxpayer not to do it, and that the Army, as long as he was at the head of it, would cooperate fully in seeing that an adequate number was turned over.

Dr. STIMPSON. We would be glad to give you that statement.

Senator HARDWICK. Will you rush that as much as you can?

Dr. STIMPSON. We will send it up this afternoon, right away.

Senator FRANCE. That belongs to Gen. Williams, and I think you had better send some one up to see him.

#### TESTIMONY OF LIEUT. COL. CHARLES E. BANKS—Resumed.

Senator BECKHAM. How long have you been in the service?

Col. BANKS. Since 1880.

Senator BECKHAM. You are in the Regular Army?

Col. BANKS. No, sir; the Public Health Service, since 1880—I will have to confess to my age—39 years.

Senator HARDWICK. Now, Colonel, you have heard this informal discussion as it has proceeded, so I think you know what we are after. Can you give us some ideas on the question?

Col. BANKS. Depending on whether you wish me to make a speech or give testimony or give advice.

Senator HARDWICK. Give advice. Tell us what you know about it.

Col. BANKS. You mean the Speedway project or the general project?

Senator HARDWICK. The general project. I mentioned the Speedway only as an incident.

Senator BECKHAM. You can see what is in the minds of the committeemen, and that is the question. Are many of these Army hospitals available for service of your bureau and the Public Health Service, and what is your opinion of the availability of such Army hospitals, if taken over, and then what do you think about these bills?

Col. BANKS. Of the cantonment hospitals, none, if you ask me my opinion. They are not desirable, from our standpoint.

Senator LENROOT. Tell us why.

Col. BANKS. In the first place, they were built, not as real hospitals, but as exigency hospitals. They were built to be operated by military forces. It takes a great number of people to operate them properly. They are a hazardous fire risk, they are in out-of-the-way localities, and they are uneconomical to operate. I should say it would be a good deal like a suit of clothes that a man could fix up for himself. It would be a covering, but it would not be a suit of clothes.

Senator BECKHAM. Do you think then that none of these cantonment hospitals or camp hospitals are suited for your branch of the service, either from the standpoint of taking care of the patients or from the standpoint of economy?

Col. BANKS. No, sir; I do not.

Senator LENROOT. What is the average cost of operation per day of a 500-bed hospital?

Col. BANKS. Oh, I do not know. I could not say off hand.

Senator LENROOT. No idea at all?

Col. BANKS. Well, I would not want to say without giving it some more thought.

Senator BECKHAM. That would depend a great deal upon the character of the hospital?

Col. BANKS. Yes, and the character of the patients, and the distance from operating centers, supply centers, whether it was an independent plant or a plant that would hook up with public utilities, and so on.

Senator LENROOT. From the standpoint of economical operation, from that standpoint alone, if we had hospitals that we could get without any expense as compared with \$1,700 a bed, it would take a great many years to overcome that difference by economical.

Senator FRANCE. One thousand seven hundred dollars a bed? That would be \$68 a year interest alone.

Senator HARDWICK. Figuring at 4 per cent interest.

Col. BANKS. These cantonment hospitals rapidly deteriorate. They are sure to go in a hurry. They have paper roofs, many of them covered with tar paper. I have only seen two of them, but I presume they are all alike. I was stationed out at Camp Funston, and I am sure I would not regard that as a hospital for permanent operation. The hospital buildings that they built there they threw up in two or three weeks.

Senator HARDWICK. What about that Speedway project, did you examine that?

Col. BANKS. Yes, sir; I was out and went over it very carefully, looking at the building itself, as well as the plans that were drawn, showing it in its completed state.

Senator HARDWICK. We have heard a great deal about it; what do you think about it as a hospital proposition?

Col. BANKS. I think it is a good proposition, one of the finest foundations for a hospital that I could think of, because it is absolutely fireproof, and if the building is carried out as it is intended in its interior arrangement, with certain modifications that differ from the requirements of the Army and military service, I do not know of anything better in the United States, as far as hospital plans go.

Senator LENROOT. Do you think that could be utilized as part of this proposition?

Col. BANKS. I do, with this understanding, that it would be used as a great central experimental laboratory station for the Public Health Service for purposes like this, for the care of its own beneficiaries, for the care of War Risk Insurance patients in that region, for the care of the Federal employees compensation cases, as a training school for nurses, as a training school for medical officers and such collateral work, outside work, for instance, laboratories used by the Public Health Service in the Chicago district, covering the Great Lakes, experimentation on the water supply as well as the railroad water supplies, examination of drinking water for the use of the rail-and-lake carriers. That would be reduced by giving a portion of that building to a certain number of the employees, not altogether to the patients; the number of beds would be reduced to somewhere between fifteen and seventeen hundred.

Senator BECKHAM. To that number?

Col. BANKS. Yes, sir; by using the wards for segregating classes, of cases, you would get splendid results from the study of diseases, which could best be studied in groups.

Senator HARDWICK. Would those alterations be very expensive?

Col. BANKS. I do not think so.

Senator FRANCE. The alterations would not necessarily cost anything. All alterations are included.

Col. BANKS. The wards were arranged with the idea of military administration, and in military administration they have scores of men that we would not want and could not have in civil hospitals. They would be in the way. The Army has hundreds of thousands of men to draw on and use them for all sorts of purposes in administering a hospital. They have provided in this hospital expensive quarters for these men. Those could be used for quartering the personnel of this building in this building, and thus save or at least reduce somewhat the enormous number of beds to a reasonable number which could probably be properly utilized by the clientele that would come from that section. I consider it a very excellent proposition from that standpoint.

Senator BECKHAM. What about the question of location, and the question of the economy of it from the Government standpoint?

Senator HARDWICK. And economy of administration.

Senator BECKHAM. Well, the economy of the whole outlay and expenditure?

Col. BANKS. Well, it is 30 minutes by automobile over a fine boulevard system from Chicago, in a sufficiently quiet locality to make it an ideal spot. Of course, the ground as it stands now is covered with wreckage of the old Speedway.

Senator BECKHAM. Did you discover any objection to the location out there, the site?

Col. BANKS. None at all; it seemed to be in a very fine neighborhood, fine class of houses.

Senator BECKHAM. From a financial and economical standpoint, do you think it is a good investment for the Government at the cost it would be to the Government?

Senator HARDWICK. \$1,300 a bed is the figure they gave.

Col. BANKS. That, I think, is less than what has been estimated generally for building a new hospital. I suppose that does not cost so much because it is under one roof.

Senator HARDWICK. And then because the promoters of the project have put in the land at a fraction of its value.

Col. BANKS. There would have to be some changes. The laundry, I think, was intended to be wood. I think that should be changed to fireproof.

Senator HARDWICK. If the Government is under any moral obligation to take over this thing it might involve the expenditure of a million or more dollars without any salvage. That being true, that you could get a hospital for less than \$1,000 a bed by going on and taking it, and if you were to take it I was wondering how we would have it completed. It is not completed, and we would have to provide that it be finished, constructed under contract.

Col. BANKS. I should think you could do it by validating the contract. That is my opinion.

Senator LENROOT. We could make a specific appropriation for a specific purpose.

Col. BANKS. And add the amount necessary to the existing bill.

Senator LENROOT. Or deduct it.

Senator HARDWICK. Or, as Senator Trammell suggests, confer with the Secretary of War and have it validated and turn it over.

Col. BANKS. I should like to say, in relation to a remark that was made here, to the effect that these cases would be through in a year. The war-risk cases will not. The men are life members in an organization, so to speak, by which they are entitled to treatment as long as they are disabled, and you must recall that we get these men after the Army has had its maximum treatment administered and they have ceased to be curable. We shall get men in the chronic state of invalidism of all kinds.

Senator FRANCE. But you do not contemplate turning these hospitals into homes. In other words, men of that character will be taken care of in soldiers' homes. It would be very unfortunate, I think, for you to plan caring for those.

Col. BANKS. I am not planning to. I am merely saying that those men are potential cases for hospital sanitarium treatment. They will not be in all the time. Certain types will be cured temporarily, or arrested, like heart disease, until compensation takes place, and they will come back again. The same way with tuberculosis cases. They will be arrested for a while, but a considerable portion of them will come back again.

Senator FRANCE. That is very true.

Col. BANKS. And with Bright's disease, and then we have psychoneurosis, diseases of the mental and nervous system. Thousands and thousands of them are under observation in the Army. I was in New York the last time I passed through there from Chicago, and I talked with our officer there, and he tells me that he does not know where he is going to put these mental diseases that are coming to him every day. He is sending them back to their own homes. He has no place to put them, and there is a great deal of unrest on the part of the service.

Senator BECKHAM. Those mental diseases, ought they not properly to go to State institutions?

Col. BANKS. The State institutions have not any place for them. I have made a survey. I have replies from all the governors of all the States in that respect.

Senator FRANCE. Those are men who have not yet been discharged.

Col. BANKS. They have not yet been discharged.

Senator FRANCE. Now, certainly those men can be taken care of by the Army hospitals.

Col. BANKS. They have got about 50,000 cases under observation, so the officer in charge of pschiatric told me, ranging from the mildest type to the violently insane. They propose to hold them for four months—the maximum time—and then discharge them. Those men have got to go somewhere, and they are the men who have the claim on the War Risk Bureau as representing a promise of the Government to take care of them.

Senator LENROOT. Do you mean as to those men who are discharged, who are actually insane, that the States will not take care of them?

Col. BANKS. They have not the place.

Senator LENROOT. In my State, I am frank to say, that they will have first consideration.

Col. BANKS. Very true; but if you have not the buildings, how are you going to take care of them? I think nine-tenths of the answers we have received is that "We are overcrowded now."

Senator LENROOT. In my State they will be taken care of even if they have to discharge some others to take care of them.

Senator HARDWICK. You have the buildings there?

Senator LENROOT. We have this system: We have three State asylums, and we have a large number of county asylums, and we take care of this crowding by sending them back to the county.

Col. BANKS. I can not say what Gov. Phillips wrote me in connection with it, but my impression is that that State is better off than any other State.

Senator LENROOT. It is natural that the governor would make a statement of that sort, for it is to the interest of the State to have the Federal Government take care of them.

Col. BANKS. I did not get the view from the letters that came to me that they were trying to throw it off.

Senator LENROOT. I do not mean that, but if the Federal Government will, it is a perfectly proper and natural attitude.

Senator TRAMMELL. Strictly speaking, is it not more of an obligation on the Federal Government than on the States?

Col. BANKS. Yes, sir; exactly.

Senator TRAMMELL. They were engaged in the service of the Federal Government in fighting in the interests of the country as a whole, not as a State. Is it not more of the duty of the Federal Government to take care of them?

Col. BANKS. We expect to pay for that care from the war-risk insurance funds.

Senator BECKHAM. Take the numbers of soldiers that have developed mental troubles, how does that percentage of the whole number in the service compare with the smaller numbers in civil life?

Col. BANKS. Well, the Army was 4,000,000—

Senator BECKHAM. Say 4,000,000.

Col. BANKS. They had 50,000 cases of all types from hysteria or nervous breakdown, to violent insanity.

Senator HARDWICK. A little more than 1 per cent.

Col. BANKS. Yes.

Senator LENROOT. Does that include overseas cases?

Col. BANKS. Yes, sir; everything.

Senator BECKHAM. How does that compare with the percentage in civil life?

Col. BANKS. I am not sure. I do not know, but offhand I should say that it was higher, a great deal higher.

Senator BECKHAM. In other words, has service in the Army increased the percentage of mental trouble?

Col. BANKS. It has.

Senator TRAMMELL. It seems to me that it has necessarily increased it.

Col. BANKS. Yes: a man going on in the even tenor of his ways, thrown into the seething caldron, will break down—the man who has the tendency—where in civil life he might go on for years and not show it.

Senator LENROOT. The Army life may be the contributing cause?

Col. BANKS. Yes.

Senator HARDWICK. Could you cooperate with Dr. Stimpson in finding out just how many of these excess military hospitals we can commandeer for you?

Col. BANKS. I do not know that I would have time. Does not this bill provide that we shall do it anyway; that we shall take whatever is available?

Senator BECKHAM. Read that.

Senator LENROOT. But, with your view, we would not have any.

Col. BANKS. I am frank to say I would not want a warehouse.

Senator LENROOT. We are speaking about military hospitals.

Senator BECKHAM [reading]:

The Secretary of the Treasury, in securing additional sites, buildings, fixtures, appliances, furnishings, or furniture herein provided for, shall request the President, the Secretary of War, the Secretary of the Navy, the Secretary of Agriculture, the Secretary of the Interior, or the Secretary of Labor to transfer to the Treasury Department such lands or parts of lands, buildings, fixtures, appliances, furnishings, or furniture under their control not required for other purposes, as may be found suitable for this use, and they are hereby authorized and directed to make such transfer as may be in the interest of the Government: *Provided*, That nothing shall be expended out of the amounts authorized by this act until all buildings, grounds, and furnishings available for hospital purposes not needed by the said departments or officers of the Government hereinbefore mentioned have been turned over to the Secretary of the Treasury.

That is the section that you have in mind?

Col. BANKS. Yes, sir.

Senator HARDWICK. Now, you see, that is so broad and so opposite from specific that we are afraid that they will not find many. When they come down to specifications, designating those that they are willing to turn over, we find that there are three hospitals, which you say that you can not use.

Senator TRAMMELL. And, of course, we are also informed, it is indicated at least by the attitude of the Health Service, that they do not care to use any of these buildings, so that that language in the bill, so far as it has application, does not amount to anything.

Col. BANKS. I did not say I would not do it. You asked my advice, and I advised strongly against it.

Senator TRAMMELL. Entertaining that view, if the committee accepts the opposite view, we want the investigation carried on by some one who is not prejudiced. The investigation should not be started by one of the departments that is prejudiced. Therefore, if we have the view that some might be utilized, there is no use of having it investigated by people who are against it.

Col. BANKS. Without mentioning locations, to give you an example of the hospital now operated by the Army that is a permanent hospital, formerly belonging to the National Guard. It was, in part, so I understand, built for a hospital, and is operated as a hospital. There is no reason why, other things being equal, that should not be selected, but that is not to be compared with these barracks that have been thrown up at cantonments. On that particular proposition I would be favorably inclined to say, "Take that."

Senator BECKHAM. But that is not one that the Army would be likely to give up, is it?

Col. BANKS. I imagine not.



Senator LENROOT. Let me suggest this: I do not think that in making this survey it should be based on what would be desirable as permanent hospitals. We must all admit that these cantonment hospitals are temporary structures, but we might make use of them for two or three years, not with the idea of giving permanent hospital facilities, but in view of the condition of the Treasury; that we might get along for a time with them, so far as we have them anyway, and give you permanent hospitals later, when the Treasury is in better condition.

Senator HARDWICK. And when the facts will verify your position.

Senator TRAMMELL. You will know better what your needs are. You would be in a better position to know what cantonment hospitals could be turned over to the Public Health Service.

Col. BANKS. I am talking now for the War Risk Bureau. I would prefer the Public Health Service to determine what they could use. They have their own beneficiaries.

We were asked, when this original proposition of Dawson Springs gift was made, "Why put up a single place like that? Why not give us a comprehensive plan, so that we can kill two birds with one stone?" Now, this comprehensive plan has been put up, and there still seems to be some objection.

Senator HARDWICK. Well, it is merely because we want to try to save as much money as possible.

Senator LENROOT. This comprehensive plan—it is very clear from the attitude of the War Department, and the view of policy of you gentlemen that we will not get any buildings that we ought to get for the Public Health Service from the War Department, if there are any that could be gotten.

Senator BECKHAM. We are not questioning the wisdom of your plan as embodied in these bills, but the great and burdensome question of Congress now is the money proposition. The expenditures are so enormous that we have to consider all these matters very carefully from that standpoint as well as from the standpoint of such enterprises as these. Our hesitation does not indicate that we do not believe in the desirability of these plans. We just want to see what can be done to save, if possible, in expenditures.

Col. BANKS. About the first thing that I am going to ask the Public Health Service to do, if this bill passes, is to make leases in buildings. I have no inordinate desire to spend money, but I want to make some preparation.

Senator HARDWICK. You do not want to make permanent preparation?

Col. BANKS. It has got to be permanent.

Senator LENROOT. In leased buildings?

Col. BANKS. Yes; turn them over to meet an existing emergency.

Senator LENROOT. It is the idea of the committee that the war projects are worthy of investigation for temporary use.

Col. BANKS. Do you refer to cantonment hospitals?

Senator LENROOT. Anything that we have.

Capt. WILSON. That is all they have.

Senator TRAMMELL. I think they are worthy of investigation.

Col. BANKS. I see no reason why they should not be investigated.

Senator TRAMMELL. I think you ought to have good, comfortable, hospitals, suitably equipped for these men. I do not think that they

should be neglected. Now that the war is over we do not want to neglect them. But it is a matter of business investigation as to whether you can utilize them and give the men ample facilities for hospitals through the use of some of these hospitals that the War Department has been using.

Senator HARDWICK. I am perfectly convinced myself, speaking for myself alone, that from the figures given you can use this Speedway proposition at a tremendous saving to the Government.

Senator TRAMMELL. That would not duplicate any of your present facilities in that section of the country out there?

Col. BANKS. Yes; there is a Government hospital in Chicago.

Senator TRAMMELL. I mean it would not to the extent of giving you excessive equipment in that country there, that particular section?

Col. BANKS. No; if it is utilized and developed as I suggested, it would be, to my mind, an ideal thing to do.

Senator LENROOT. There you could take war-risk patients from a very large area?

Col. BANKS. Yes.

Senator HARDWICK. I think if we determine to take that, I think we had better send to the Secretary of War and advise him to validate the contract, since their Construction Division has passed on it, do you not think so?

Senator TRAMMELL. I think so.

Col. BANKS. I asked that another officer in the Public Health Service join me.

Senator HARDWICK. Who?

Col. BANKS. Surg. Cobb.

Senator HARDWICK. What did he think of it?

Col. BANKS. He was in part of it. He was in the service five years or more, and of excellent judgment, and I asked to have him join me.

Senator TRAMMELL. It we should decide to take over the Speedway Hospital, would that reduce the entire contemplated expenditures in that territory? Would that not allow you to eliminate and not impair the service—some other projects that you have in mind in that locality?

Col. BANKS. All this that has come now is an additional load on the Government, an additional load which had never been contemplated prior to the war.

Senator TRAMMELL. I understand that you contemplate starting new projects. Now, have you any new hospitals contemplated in that section?

Col. BANKS. No.

Capt. WILSON. We have 275 beds that we propose to put on a present reservation that we would not have to construct.

Senator TRAMMELL. At the cost of how much?

Mr. BENNET. \$4,675 for 275 beds.

Senator BECKHAM. Let us put it in this form: The Speedway Hospital will have 2,500 beds.

Col. BANKS. Not according to my plans.

Senator HARDWICK. He wanted to reduce the number to provide quarters, and so forth. Were not those quarters taken care of in outside buildings?

Col. BANKS. No, sir; not at present.

Mr. BENNET. I am a spectator, but I would like to direct one question. I do not think the doctor wants the proposition of October 12. In that there are a lot of guardhouses at two and a half million dollars. Am I right?

Col. BANKS. So far as I know.

Senator BECKHAM. How much would it reduce it?

Mr. BENNET. Seven hundred and fifty-three thousand dollars.

Senator LENROOT. What would that be per bed then?

Mr. BENNET. Two thousand five hundred beds, \$1,304 per bed.

Senator BECKHAM. Is that on the estimate which included these outside buildings?

Mr. BENNET. No, sir; that is on the two and a half million proposition.

Senator BECKHAM. If he cuts it down to 1,600 beds it would be more?

Mr. BENNET. Yes.

Senator LENROOT. How do you get it down to \$1,304 on the October 12 proposition? You have \$750,000 additional expenditure and a less price per bed.

Senator BECKHAM. What is the total cost of the proposition of October 12?

Mr. BENNET. Three million two hundred and fifty-three thousand four hundred and seventy-five dollars.

Senator BECKHAM. Divide that by 2,500.

Col. BANKS. The officer in charge of the Government hospital in New York told me that he had so little room that he had contracts with eight local hospitals to take the overflow. It makes the expense very considerable, much more so than it would be in a Government hospital, ranging all the way from \$2.50 to \$3 a day per patient. I am told that there were 8,000 patients that had to be cared for in outside contract hospitals on that account.

Mr. BENNET. There was a confusion in figures. At \$2,500,000, 2,500 beds would cost the Government \$1,000 per bed. The difference between the cost of that proposition and what it really was going to cost was the contribution of Mr. Hines and Mr. Shank.

Senator LENROOT. Is he still willing to make that proposition?

Mr. BENNET. Yes.

Senator LENROOT. A thousand dollars per bed we can figure on?

Mr. BENNET. Yes.

Senator BECKHAM. Two thousand five hundred beds.

Senator LENROOT. The hospital as it stands without the extra buildings.

Dr. STIMPSON. We would not need some of this building.

Senator HARDWICK. That would have to be changed in the contract.

Senator LENROOT. Then it is not a matter of validating either of the contracts. The proposed contract could not be validated upon that basis.

Mr. BENNET. It could, if you will pardon me, for this reason, that in the contract it is provided that the Government might, if they wanted to, make arrangements for additional buildings if they are desired. That was in the original contract. It is to the advantage of the Government to hold us to that contract for two and a half million dollars.

Senator LENROOT. That is what I meant, the last contract in the form of two and a half million dollars.

Mr. BENNET. That is the only form there is. If you validate that you will get Mr. Hines's contribution. He would stand pat.

Col. BANKS. The great sentiment—I get it not only from the men themselves and their families, and from correspondence with hospitals and with the organizations of medical men throughout the country—is to scatter as far as possible all these Government agencies for the benefit of the families of these disabled soldiers so that they can visit them readily. It is all right to collect them under one roof, that is economy, but I do not think it is the intent of the committee to start economy with the invalid soldiers, and therefore these various projects throughout the country have been tentatively selected I am sure with that underlying reason. It is all right for the man without a family but so many times in offering sanatorium facilities for these disabled soldiers the answer is that they have a wife or child or two children and can not leave them to go far away, and they refuse for that reason, often against their interest and against the interests of the community in which they live. For that reason I want in addition to these large projects, this particular one that is offered, which in total number of beds might answer for a large section of the country. But the people themselves would not respond readily to the suggestion that all the men be sent there.

Senator HARDWICK. That would not supply anything like the number of beds you need anyway.

Col. BANKS. No; I do not think so.

Senator HARDWICK. My idea would be if you would take this, considering the situation that it is in and the apparent economy of the proposition, it would be a good thing for the number of small things you mentioned and for a central hospital.

Col. BANKS. Yes; I think that would be an ideal way, providing the whole bill passes, but as a substitute for the bill I would take very little interest in it.

Senator LENROOT. That is that much to the good.

Col. BANKS. It is that much to the good, handing out a half portion where a full portion is necessary.

Senator BECKHAM. Let me ask you something about the Dawson-springs proposition. You have been down there, have you?

Col. BANKS. Yes.

Senator BECKHAM. Tell the committee what your opinion is.

Senator HARDWICK. That is a separate bill.

Senator BECKHAM. Tell us all you know. I want to get at that.

Col. BANKS. I think along in August some time, I should judge from recollection, a gentleman called at my office saying that he had been sent there and that he had charge of sending men around to provide soldiers a sanatorium hospital and he informed me that the committee of people interested there desired to make a donation of a tract of land anywhere from one to five thousand acres, to the Government, for the erection of a sanatorium for tuberculosis patients. That is a great problem that is before us now, where to put these people. I went down there to see it, never having been there, not knowing anything about it, never having met the gentleman before. I went over this country that he proposed to donate.

It is in the mountainous region of Western Kentucky, and is located somewhere about a mile and a half or two miles from a small village called Dawsonsprings. It is a rather famous mineral springs, well known in that locality.

Senator BECKHAM. There are a number of large hotels there?

Col. BANKS. No, sir. There was a project to put a large hotel there, but I think it has been abandoned.

Senator BECKHAM. Not so very large, but a good many hotels?

Col. BANKS. Yes; it is a great resort. There were two or three hotels and a large number of small boarding houses. The water there is a duplicate of the Karlsbad Springs in Bohemia.

Senator LENROOT. How many people live there?

Col. BANKS. About 2,500 people.

Senator BECKHAM. Something like that. Of course, it has a great tourist population there all the time. You say these waters are the duplicate of the Karlsbad waters?

Col. BANKS. Yes, sir.

Senator LENROOT. For what specific ills are they adapted?

Col. BANKS. Kidney and bowel troubles.

Senator BECKHAM. And stomach troubles.

Col. BANKS. I was very much impressed with the idea. It seemed to be a very generous offer, and a very desirable locality. It was in the virgin woods, pine woods, rolling country, some of it under cultivation for farming, and I advised accepting it.

Senator LENROOT. What is the railroad communication?

Col. BANKS. It is on two trunk lines, the Louisville & Nashville, and the Illinois Central.

Senator BECKHAM. It is on a direct line from New York.

Senator LENROOT. How far from Louisville?

Col. BANKS. About four hours' ride.

Senator BECKHAM. About 150 miles, I would say. Paducah is the nearest large town.

Senator LENROOT. How far is that?

Senator BECKHAM. Fifty or sixty miles.

Col. BANKS. I do not know. A bill was introduced with the purpose of eliminating the word "Dawsonsprings" and putting in "the place to be selected by a commission." They took me over a very large portion of the territory, and what struck me as being an economical proposition was the large coal fields there that are being operated right alongside, and the coal for the project would be obtained at almost nominal cost. The objection to that, as I understood, was that it was a piecemeal idea, and they asked us to develop what we wanted to cover all our needs.

Senator BECKHAM. You mean the objection to that bill?

Senator HARDWICK. In the House of Representatives?

Col. BANKS. Yes, sir.

Senator BECKHAM. Did that land within this tract that is to be donated include some good agricultural land for dairy purposes and cultivation?

Col. BANKS. Yes; there were farms, I think. I think, if I recall it, that the total cost of the land was somewhere around \$86,000.

Senator LENROOT. That is the donation?

Col. BANKS. That is what they paid for it.

Senator LENROOT. They bought it?

Col. BANKS. They got options and then they had to buy it or throw up the project, and as the bill had passed in its emasculated form they were taking a chance.

Senator LENROOT. What was the object of the donation?

Col. BANKS. I think it was largely a patriotic business, because we were at war at that time. I think they had a sort of idea——

Senator LENROOT. Of putting a resort there and attracting attention to it?

Col. BANKS. No; I do not think it needed any attention.

Senator LENROOT. Or making it a national resort. It was perfectly legitimate if there was.

Col. BANKS. My own idea is that it would be a detriment to Dawsonsprings, in a way, because I do not think anyone cares to go to a place where there is a hospital.

Senator BECKHAM. Especially tuberculosis.

Col. BANKS. Especially tuberculosis. As a business proposition I would not regard it as an asset.

Senator BECKHAM. Do you think that a very good proposition for the Government?

Col. BANKS. Very good.

Senator BECKHAM. The bill provides for an expenditure of \$1,500,000.

Senator HARDWICK. For 500 beds.

Col. BANKS. For 500 beds.

Senator HARDWICK. Then, you would get something like 2,000 or 2,500 beds in two good hospitals.

Col. BANKS. Yes; but it would take a year and a half, I think, to build it.

Senator HARDWICK. You would get this other soon?

Col. BANKS. But you could very much more readily enlarge existing buildings on Government land or by building extensions of wards than you could to start new and condemn property and get legislation for it.

Senator HARDWICK. If what you intend to do is to take this project, it seems to me that it ought to be put back like it was, "Dawsonsprings."

Senator BECKHAM. In the House some controversy arose over it. While I would like to see Dawsonsprings taken over, I can see the force of the argument of those who insisted that the name of the particular place be left out.

Senator HARDWICK. Then, if the commission decided on some other place you would lose the benefit of this donation.

Senator LENROOT. But it would cost \$3,000 a bed with this donation.

Senator BECKHAM. How does that figure out?

Col. BANKS. It sounds very staggering to say that a bed costs \$3,000. That means the plant completed with a fence around it and the front gate ready to open, ready to receive the first patient.

Senator HARDWICK. Is it not partly because they have to put in their own public utilities, like water and sewage?

Col. BANKS. I do not believe that is much of an element.

Senator LENROOT. I think some one in the Surgeon General's office said that those items cost \$800 a bed.

Senator BECKHAM. I suppose that is under extreme high prices.

Senator HARDWICK. I think that is it.

Col. BANKS. I can only say from what I know that it is very much more economical to administer civil hospitals than it is to administer military hospitals.

Senator LENROOT. We are not speaking of administration, but of installing. You would not have any public utilities there?

Col. BANKS. Yes; the military authorities go in a wide way, irrespective of cost.

Senator BECKHAM. In such haste that they do not stop to argue.

Col. BANKS. Out at Camp Funston a man walked in there with a saw and a hammer in his hands and he was a carpenter, drawing \$14 a day.

Senator HARDWICK. That was true in all cantonments.

Col. BANKS. That is what made the cost so high.

Senator LENROOT. What do you know about the Asheville project?

Col. BANKS. The Asheville?

Senator LENROOT. Yes.

Col. BANKS. Is there any hospital there?

Senator LENROOT. You said that there were three tentative propositions for tubercular patients?

Col. BANKS. I am not responsible for those tentative propositions.

Senator LENROOT. I know; but I asked if you know anything about it?

Col. BANKS. Asheville has acquired a reputation.

Senator LENROOT. I know that, but I mean about the cost.

Dr. STIMPSON. The Army has a sanitarium in that region, which is a very fine place, and that is one of the places that I put on this list. The Army can not give it to us. It is full of tubercular patients.

Senator LENROOT. Have you considered the construction of a new hospital there?

Dr. STIMPSON. We put in for a thousand-bed hospital at Asheville.

Senator LENROOT. What did you estimate at Asheville for that hospital?

Dr. STIMPSON. Well, we divided up those three remaining hospitals the amount that was left over from the 2,000 beds on the reservation and divided it up among these three hospitals, at Asheville, the Berkshires, and the one west of the Mississippi.

Senator LENROOT. About \$7,000,000.

Dr. STIMPSON. I can put that in the record. I have not the figures here.

Senator LENROOT. Would that be built upon our own land at Asheville?

Col. BANKS. I do not think there is any land owned by the Government there. You might get land right reasonably in the Alleghenies. We can get a place at Deer Park, Md., that is very reasonable, a fine location for a sanitarium, in the mountains, 2,400 feet high, a dry climate and right on the railroad.

Senator LENROOT. What I had in mind was in reference to this donation if it is made. Of course, the mere fact that it is a donation would not make it acceptable if the additional cost of the plant

would be greater than what would be saved on the land. It might not be a good proposition.

Senator BECKHAM. In other words, if we could not put up a hospital down there at less than what you could put up a similar hospital somewhere elsewhere where you had to buy the land, the donation would not be any saving.

Senator LENROOT. Or at equal cost.

Col. BANKS. It would be just the difference in the cost of the land, would it not?

Senator LENROOT. No; it would not necessarily. We might get a place where you already had public facilities.

Col. BANKS. To do that you would have to get one near some large city.

Senator LENROOT. A city of 25,000 people would be enough to furnish it.

Col. BANKS. I do not think Dawsonsprings has any public utilities. They may have a sewer in.

Senator BECKHAM. I think there is a pipe line out there. You would have to have a power plant, I suppose.

Senator LENROOT. Take our cantonments. If they are in good localities, you might at least use their public utilities, like sewer and water. That would relieve the Government of that much expense, if you had a proper location, without using any of the old buildings.

Senator BECKHAM. Did you propose to put up one large hospital at Dawsonsprings or put them in groups?

Col. BANKS. The original idea was to put one large hospital with outlying buildings for ward treatment and for segregated cases, or tuberculars in the ambulatory stage, a large infirmary for bedfast cases, and other buildings for ambulatory cases so that they could be out of doors.

It was told in New York yesterday that there were somewhere about 40,000 soldiers discharged already. They are practically at a loss, not knowing what to do with the war-risk patients there, so they appealed to the public health officer for assistance, and that there was a very considerable condition of unrest. I should advise the committee to do something—

Senator TRAMMELL. That represented, colonel, you think, cases of soldiers who had gone from the city of New York and the country immediately surrounding it.

Col. BANKS. Immediately in that vicinity, but the usual number of floaters.

Senator TRAMMELL. That could be remedied to an extent if they are discharging them quite generally there, if they carried them to other ports of debarkation. In this case they are just repeating what they did with the embarkation; they centered everything around New York and had everything very much congested, and that could be relieved to an extent if they could use more ports of debarkation.

Senator LENROOT. It is not necessary to discharge anybody in New York unless that is their actual home.

Col. BANKS. I think as a rule it represents practically Greater New York conditions.



Senator BECKHAM. To what extent is your department and the Public Health Service cooperating with the War Department in handling these discharged soldiers? Is there close contact?

Col. BANKS. Yes, sir.

Senator BECKHAM. Now, for instance, they are mustering out a unit of troops, a lot of sick men needing hospital treatment. Of course when they are mustered out the Army ceases to have control. Is your department right on the ground ready to take hold and ready to cooperate with the War Department to the extent of getting hospital accommodations, at least temporarily?

Col. BANKS. Yes, sir; but not possibly as satisfactorily as it might be for the reason that we never know how many are coming or when they are coming. We are getting as close cooperation as the circumstances will permit, considering the treatment of men that are being discharged in physical normal condition and who are disabled from either disease or injuries. When these men come they bring their credentials prepared by the Army, and they have immediate attention the moment they apply. We have agencies all over the country to take care of them.

Senator BECKHAM. Does that cooperation go to this extent; for instance, here is a man discharged from the service. The Army decides to let him go. He is found to be disqualified, sick in some way, and applies to your branch of the service. Now, the Army has vacant beds in a hospital near by. Can you go and put this man in that Army hospital?

Col. BANKS. No. Because the assumption is that they have done all they could for him up to the time they have discharged him.

Senator BECKHAM. But that is technical.

Col. BANKS. It is technical.

Senator BECKHAM. That is the very point I am getting at. As a temporary expedient it seems to me that in a case like that, where a man is discharged from the Army, but still you think he is in need of further treatment, you should have such cooperation that you could use any vacant bed in one of the Army hospitals.

Col. BANKS. I can not see the point of it, because that man wants to get home, and they do not want to go into another Army hospital. They are through with it. That has been very evident.

Senator BECKHAM. Of course, if there are many cases like that, if that were true altogether, then there would be no need for your services to take care of them. I am asking if there are not cases of invalidism or physical disqualification after they are discharged from the Army that should go into hospitals for further treatment? That is the assumption upon which these bills were considered.

Col. BANKS. They would go into hospitals near their homes. That is their great cry—to get out of the Army and get home; to get nearer home, and then follow instructions as to what to do when they get home. Addresses of Public Health Service officers and war-risk officers where they can make immediate application for further carrying-on treatment, the method of making their claim for compensation, if disabled, are furnished. That is as far as the cooperation extends.

Senator BECKHAM. You proceed on the idea that a sick man would go home for a while and then go to a hospital?

Col. BANKS. Yes, sir.

Senator BECKHAM. Let us take up the question there. Is there such cooperation between the two branches of the service that you could arrange, in the absence of a public health hospital or of a general hospital, for him to go into one of the Army hospitals near by for temporary treatment?

Col. BANKS. I would not say if a man would want to do it. I do not think he would want to do it; and, from our standpoint, it is not compulsory. We offer it to him; we can not make him do it.

Senator BECKHAM. I am not asking these questions with the idea that these measures in the bills are not necessary in the end, but they were brought out by the statement that you made that there were so many of these cases being turned loose right now that needed treatment, thinking that possibly, as a temporary arrangement, some such cooperation might exist to take care of these fellows.

Col. BANKS. We are filling up all the present existing Government hospitals and utilizing private sanatoria for tuberculosis wherever we can get them in.

Senator LENROOT. Are you using our Army hospitals now at all?

Col. BANKS. No, sir.

Senator LENROOT. Putting nobody in?

Col. BANKS. Nos, sir.

Senator LENROOT. Senator Beckham's idea is to make it so that you can use the War Department's beds if you wish to.

Col. BANKS. I understand that they have made an offer to do that at a certain rate per diem.

Senator LENROOT. But the soldiers will not accept?

Col. BANKS. But the soldiers will not go back. That is their view. They do not wish to undergo any further disciplinary treatment, and necessarily the treatment in a military hospital is of the routine order. The men are subordinates and not patients. And particularly in tuberculosis cases there are peculiar types to deal with, and they need what you might call sympathetic, fraternal relations rather than that of a superior officer.

Senator LENROOT. Colonel, supposing—I am just trying to get your idea of the situation—supposing Walter Reed Hospital was open to your service and you could utilize it?

Col. BANKS. Yes; as a matter of possibility.

Senator LENROOT. Is that temporary construction, the temporary construction at Walter Reed Hospital, very different from temporary hospitals at cantonments?

Col. BANKS. I have not examined it sufficiently to say, but I think it is more elaborate, more finished of its kind. They are mostly one-story buildings and in that sense they are all right and better than the two-story cantonment hospitals.

Senator LENROOT. Then, I understand that you are decidedly opposed to the taking over of any of these cantonment hospitals, but if they were taken over they could be utilized?

Col. BANKS. I suppose they could be, in the sense of possibility.

Senator LENROOT. Well, you said Walter Reed could be?

Col. BANKS. It is a better type of hospital, probably because more care was used in the construction.

Senator LENROOT. It is wooden construction.

Col. BANKS. Yes.

Senator BECKHAM. Is Walter Reed full, doctor?

Col. BANKS. Yes; I think it is.

Senator LENROOT. I do not think there is any possibility of utilizing that.

Col. BANKS. No; that is one of their general hospitals.

Senator HARDWICK. You say you could not help the committee by getting up a list of the military hospitals that you might use?

Col. BANKS. I do not know of any. I have not gone over the list. That has not been my particular study.

Senator LENROOT. Could you do this—could you give us a list of the locations of military hospitals that would be desirable where we might utilize existing public utilities?

Col. BANKS. We need hospital facilities particularly on the west coast. In the South there is a great area west of the Mississippi that must have facilities.

Senator LENROOT. Do you mean at the location of cantonments?

Col. BANKS. Most of them are in the southern tier of States, I presume on account of climatic conditions. In Camp Funston, which I know about particularly, those wooden constructed hospitals are very difficult to heat.

Senator LENROOT. I am speaking more of using the sewage and other facilities that would not necessitate our going to that extra expense if we were to build permanent buildings at those locations.

Senator HARDWICK. Does that cover generally what you want to say? Are there any further questions?

We thank you very much for your attendance.

Capt. Wilson, can you tell us anything?

Capt. WILSON. I think Col. Banks has covered the whole subject. I was out to Chicago—

Senator HARDWICK. Did you see the Speedway proposition?

Capt. WILSON. Yes. There is just one thing more that might be said in its favor that perhaps was not emphasized, and that is in reality it is a series of small hospitals under one roof, and that means an economical operation. For instance you could cut off the heat from three-fourths of the building and simply operate one-fourth of it if you wanted to. The same way with water. If you wanted running water in one particular place, you could have it by taking the plumbing facilities from another place. It is a series of small units under one roof. That is the thing that impressed me about it.

Senator HARDWICK. You think it would be useful for the Public Health Service?

Capt. WILSON. If it could be used for all the purposes of the service.

Senator HARDWICK. As specified by Dr. Banks?

Capt. WILSON. Yes. But if it is contemplated to put only one class of patients in, I think it would be somewhat of a white elephant.

Senator HARDWICK. How would that be fixed—by legislation?

Capt. WILSON. Yes, sir; you would have to change the wording there.

Senator HARDWICK. Did you see this bill?

Capt. WILSON. No, sir.

Dr. STIMPSON. This bill was prepared originally in the Public Health Service. I helped to draft the bill, but then it was changed in the House.

Senator HARDWICK. I suggest that you send us such modifications of this language that would accomplish the purpose that you expressed here to-day.

Capt. WILSON. Yes, sir.

Dr. STIMPSON. I would just submit a tentative draft for your consideration.

Senator HARDWICK. Yes.

Dr. STIMPSON. May I say one word along the line mentioned by Senator France, that the country will eventually have to adopt some plan for general hospitalization and develop that scheme along some standardized basis. It seems to me that the needs of the Public Health Service are growing now to such an extent that if we do not take care of them right away they will swamp us. There were 8,000 patients in contract hospitals last year. There are 522 more merchant vessels than the previous year, exclusive of those that were not documented under the Army and Navy, so that from the marine aspect of it alone, the Public Health Service is going to be in a position to need very nearly all these beds. I think we might very well utilize temporary beds in an emergency, but I do not think you ought to keep down our appropriation with the idea that it can be entirely supplanted.

Senator LENROOT. But we might two or three years later be in a better position.

Dr. STIMPSON. But it takes two or three years to build.

Senator LENROOT. It costs now a great deal more to build than it will probably cost a year or two from now, and if we can get along temporarily we will be in a much better position later on.

Senator HARDWICK. We are very much obliged to you all.

(Thereupon the committee at 12.50 o'clock p. m. adjourned, subject to the call of the chairman.)











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